Daily Report

Latin America

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Group of Rio Reaches Agreement on Gulf Conflict

PA2901151691 Paris AFP in Spanish 0702 GMT 29 Jan 91

[Text] Caracas, 28 Jan (AFP)—Venezuelan President Carlos Andres Perez has stated that the foreign ministers of the 13 Latin American countries that comprise the "Group of Rio" reached an agreement yesterday in Caracas on formulas for "a concerted effort and understanding" in view of the Persian Gulf conflict and its consequences in the region.

Perez had lunch with the foreign ministers of Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, Jamaica, Mexico, Paraguay, Peru, Uruguay (Deputy Foreign Minister Eduardo Mezzera), and Venezuela.

It was unofficially reported that the foreign ministers will urge Iraq to announce its withdrawal from Kuwait and will promote a cease-fire and a peace conference to resolve the key problems of the Middle East.

The language and tone of the appeal was the cause of friction between the anti-Iraq "hawks," headed by Argentina—a member of the military forces fighting Baghdad—and the "doves" that want to keep the region out of the conflict, such as Mexico and Brazil.

With regard to the region's fuel supply, Perez said: "We are progressing toward long-term and medium-term solutions," and conceded that he was "immensely satisfied" with the results of the Caracas meeting.

The Group of Rio, initially a group of eight states formed as a regional mechanism for political consensus, must hold a presidential summit in Colombia during the first half of this year.

Supports El Salvador Plan

PA2901141491 Paris AFP in Spanish 0509 GMT 29 Jan 91

[Text] Caracas, 28 Jan (AFP)—At the end of a meeting in Caracas on Monday, the 13 Group of Rio foreign ministers have supported the UN-sponsored peace negotiations in El Salvador and asked the Panamanian Government, excluded from the Group in 1988, to respect the right for asylum.

The foreign ministers of the leading Latin American democratic countries, which met primarily to study the Persian Gulf conflict, urged the conflicting sides in El Salvador to "intensify their efforts for a speedy solution" to the long civil war.

The foreign ministers also considered a report by the UN special commission that visited Panama and asked the Panamanian Government to meet "at all times the political asylum guidelines agreed upon at the Caracas convention."

The dissidents of the Panamanian police who have sought asylum at several embassies have encountered difficulties in obtaining safe conduct.

Reaffirms Commercial Commitments

FL2901131391 Bonaire Trans World Radio in English 1130 GMT 29 Jan 91

[Text] In Caribbean news, foreign ministers from a dozen Latin American and Caribbean countries met in Caracas yesterday to consider the economic effects of the Persian Gulf war. The delegates are from the Group of Rio, plus Bolivia, Paraguay, Costa Rica, and Jamaica. They agreed to boost regional cooperation in the field of energy.

One plan was submitted by the Latin American Energy Organization suggesting the creation of a special fund backed by both oil exporting and importing nations that would guarantee long-term contracts that favor exporters, and a dependable supply of oil to importers. The idea behind the plan was that needy Latin America and Caribbean nations should have the first crack at the oil exports of Mexico and Venezuela.

Although the ministers expressed support, their final communique stressed that current commercial commitments should not be jeopardized.

'Weekly' Roundup on Drug Seizures Detailed

Central America

PA2801000991

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in Central America from 21 to 26 January. Source follows in parentheses after each item.

Colombia

Police drug agents dismantled a cocaine processing laboratory and arrested one person in Marinilla municipalilty, Antioquia Department. The laboratory had been set up in a room at the Barbacoas farm owned by Hernando Giraldo. (Bogota EL NUEVO SIGLO in Spanish 21 Jan 91 p 15)

Ecuador

Navy Commander Admiral German Yepez has reported that 12 kg of pure cocaine were found on the Guayas training ship while on a training cruise on the Caribbean. The ship has been ordered back to Ecuador so that the appropriate investigations can be conducted. (Paris AFP in Spanish 0621 GMT 26 Jan 91)

Panama

Authorities of the National Customs Directorate's Anti-Drug Department arrested Colombian citizen Jaime Agustin Suarez Candanedo at Tocumen International Airport in Panama City on 18 January, when he tried to

smuggle 6 kg of cocaine into Panama. (Panama City LA ESTRELLA DE PANAMA in Spanish 22 Jan 91 p 8A)

Authorities burned 2,000 kg of cocaine on 25 January. The drug had been seized in various operations from October 1990 to 18 January 1991. (Panama City CRITICA LIBRE in Spanish 26 Jan 91 pp 28, 8)

Guatemala

Guatemalan security forces have reported the seizure of 14,318 kg of cocaine and the arrest of 24 Guatemalans, two Colombians, and one Honduran during operations carried out in 1990. The information reveals that three military officers and a mayor were also arrested in connection with drug trafficking. (Guatemala City EL GRAFICO in Spanish 22 Jan 91 p 5)

Mexico

The Federal Judicial Police (PJF) has reported the seizure of more than 1 ton of marijuana, the confiscation of 17 vehicles, and the arrest of 39 alleged drug traffickers in Sonora throughout the last three months. The PJF also reported the destruction of 20 hectares of marijuana in Bahia de Lobos. (Mexico City NOTIMEX in Spanish 1514 GMT 23 Jan 91)

South America

PY2901164291

[Editorial Report] Following is a compilation of reports on drug seizures and arrests related to drug trafficking in South America from 17 to 25 Jan. Source follows in parentheses after each item.

Argentina

The police have seized seven kg of cocaine in two operations in Mar del Plata and arrested three individuals whose identification has not been disclosed. A fourth suspect escaped. In the first operation the police arrested a man carrying 3.4 kg of cocaine in the San Carlos district. The second operation was carried out in an apartment on General Paz Avenue where 3.5 kg of cocaine was seized. (Buenos Aires TELAM in Spanish 1039 GMT 25 Jan 91)

Chile

Police drug agents have seized 2.5 kg of cocaine. The cocaine had been brought from Bolivia and was being sold in night clubs in Santiago. The arrested are: Juana Aida Roman Flores, businesswoman, 43 years of age; Pedro Teillery Retamales, accountant, 51 years of age; Maximiliano Medrano, Bolivian reporter, 39 years of age; Maria Clarisa Echenique Carrasco, housewife, 55 years of age; Sergio David Lolas Lolas, car salesman, 53 years of age; and Carlos Alberto Cornejo Tos, car salesman, 35 years of age. (Santiago EL MERCURIO in Spanish 17 Jan 91 pp C1, C4)

Members of the Narcotics Brigade of Iquique have seized two kg of cocaine and have arrested a gang of drug traffickers in the Alto Hospicio district. The arrested are: Andres Castro Flores, 42 years of age; Leonardo Condori Mamani, 39 years of age; and three individuals who were identified as follows: M.C.H., 18 years of age; and the brothers Gabriel and Fernando C.C., 17 and 15 years of age respectively. (Santiago EL MERCURIO in Spanish 23 Jan 91 p C9)

Cuba

UN Security Council Meeting on Gulf Requested

PA3001030791 Havana International Service in Spanish 0002 GMT 30 Jan 91

[Text] Cuba has asked for a formal meeting of the UN Security Council to review the situation in the Persian Gulf, PRENSA LATINA news agency has reported. A letter by Ambassador Ricardo Alarcon says that his government deems it important for the Council to assume the responsibilities in the UN Charter. The objective of the meeting, the letter indicated, would be to adopt corresponding actions to stop the hostilities and guide the conflict, which is now disturbing that important region of the world, toward a path of a diplomatic and peaceful solution.

With this request, Cuba joined the Maghreb countries, Sudan, Jordan, and Yemen, which have asked the UN Security Council Chairman M. Bagbeni Adeito Nzengaya to implement Articles 2 and 3 of the provisional regulations on the Council meetings, which is tasked with maintaining international peace and security. Those articles empower the Council's chairman to convene a meeting at the request of any council state member and authorizes the UN member countries to make a similar request to review a controversy.

Cuba stated it will no longer participate in the council's informal consultations because that kind of meeting seeks to replace the official meetings that are being held by some member states.

UN Consultations 'Unacceptable'

FL2901143091 Havana Tele Rebelde Network in Spanish 1200 GMT 29 Jan 91

[Text] Cuba has refused to participate in further informal consultations of the UN Security Council during which the international coalition would explain the development of the war in the Persian Gulf, unless an official meeting is called. Cuban Ambassador to the United Nations Ricardo Alarcon de Quesada has said that the final paragraph of Resolution 678 asserts that the Security Council will keep the development of events in the Gulf under constant consideration.

The Security Council's informal meetings on this matter will be held with 14 members because Cuba will not participate in the so-called consultations, Alarcon stated. He added that this way of receiving the international coalition's reports is not acceptable, because it takes the place of official meetings of the Security Council. Alarcon denounced that it is unacceptable to discuss whether to meet or not, since the UN Security Council must do so at the request of any of its members, regardless of the others' point of view.

Protocol Concluded With Iranian Joint Commission

FL3001043091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Jan 91

[Menandro Perez report]

[Text] A protocol summarizing the negotiations of the second Cuban-Iranian Intergovernmental Joint Commission meeting was signed today at the Sierra Maestra Hotel in Havana City.

Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, and 'Isa Kalantari, the Iranian agriculture and rural development minister, signed the protocol on behalf of their respective countries.

Among the issues included in the agreement are the development of scientific methods and techniques in the research and teaching field, exchange of experts among Cuban and Iranian universities and research centers. Cuba will also supply the experience it gained during the 1961 adult education program.

In the industrial sector, Cuba and Iran have agreed to use Cuban facilities to manufacture products with Iranian resources.

The agreement also encompasses the establishment of joint ventures for the sending of tourists to Cuba, and the financing of hotels.

In his speech, Ernesto Melendez said that the negotiations were characterized by a high anti-imperialist spirit which guides our actions in the political field.

Kalantari said that this joint commission opens new doors for the development of the two countries. He added that after visiting some Cuban regions, he has witnessed that the revolution has achieved many things for its people.

Joint Indian Business Committee Established

FL3001040091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Jan 91

[Text] The Cuban-Indian Business Committee, which seeks to increase and strengthen bilateral trade ties, was officially established this afternoon.

Julio Garcia Oliveras, president of the Cuban Chamber of Commerce, and Indian Ambassador Mukur Kanti Khisha signed an agreement establishing the Cuban-Indian Business Committee. This bilateral committee is made up of Cuban organizations in the foreign trade sector.

The establishment of this committee is preceded by the establishment in New Delhi of the Indian-Cuban Joint Business Committee. This committee was established on the basis of a bilateral cooperation agreement that was signed in 1985.

On this occasion, the Indian ambassador reasserted his country's willingness to increase the trade and economic ties that the two countries started in 1979. He also described as excellent the current level of bilateral political ties.

The Business Committee will promote the exchange of technical and economic missions and the participation of the two countries in fairs and exhibits.

Namibian Information Minister Meets Malmierca

FL2901043091 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Jan 91

[Text] Hidipo Hamutenya, the Namibian information and broadcasting minister, who is paying an official visit to Cuba, held a meeting on 25 January with Cuban Foreign Minister Isidoro Malmierca. [Passage indistinct] bilateral economic, scientific and technical cooperation.

Hamutenya referred to the Namibian political, and socioeconomic situation. He also mentioned the efforts that the Namibians are making to achieve social well-being 10 months after achieving independence.

New Guantanamo AIDS Hospital Reports 18 Cases

FL2901010091 Havana Radio Reloj Network in Spanish 2042 GMT 28 Jan 91

[Text] A new hospital for AIDS patients was opened in Guantanamo. This hospital, which treats seropositive patients, is treating 18 AIDS carriers who reside in this province.

Although some sectors of the hospital are still under construction, the AIDS patients are treated by an internal medicine specialist, a psychologist, five nurses, and one social worker.

These patients have access to play rooms, video rooms, comfortable rooms with air conditioners, television sets, and other recreational areas.

The majority of AIDS victims in Guantanamo Province are between 15 and 30 years old. Several married couples have also been affected by the disease. All of these AIDS patients are undergoing an efficient medical treatment that is paid by the state which spends up to $8,000 per year per person.

De Klerk Meets SW Africa Commission Delegates

FL2901145591 Havana Tele Rebelde Network in Spanish 1200 GMT 29 Jan 91

[Text] It has been reported that South African President Frederik de Klerk has met in Capetown with the representatives attending the 10th ordinary meeting of the Joint Commission on Southwest Africa, which begins there today.

De Klerk's contact with these representatives took place two hours after the arrival in Capetown of the Cuban and Angolan delegations, headed by Angolan Deputy Defense Minister Antonio dos Santos Franca and Division General Jesus Bermudez Cutino, vice interior minister and a member of the Central Committee of the Communist Party of Cuba.

At the meeting, which is to end tomorrow, the current situation in southwestern Africa will be analyzed, and there will be a report on the progress of the withdrawal of Cuban troops from Angola, a process that should end by the middle of this year.

Barbados

Bank Governor Proposes Structural Adjustment

FL2901224591 Bridgetown CANA in English 2125 GMT 29 Jan 91

[CANA senior editor Reudon Eversley report]

[Text] Bridgetown, Barbados, Jan 29, CANA—Central Bank Governor Dr. Kurleigh King Tuesday proposed major structural adjustment for Barbados to correct a foreign exchange earning deficiency in the economy. King, speaking at a news conference, said the problem could be corrected without devaluing the Barbados dollar and without recourse to the International Monetary Fund (IMF).

King's prescription came after the Central Bank reported a 3.5 percent decline in real output for 1990, the first contraction of Gross Domestic Product (GDP) in eight years. The Central Bank also reported that the island's foreign reserves had registered a net foreign exchange loss of nearly Bds 116 million dollars (one Bds dollar = 50 cents U.S.), following declines by tourism and manufacturing, two of three key hard currency sectors.

"... We believe that we have the resources and I am confident that we have the will to do something about the economic situation and to come out of this decline....," King said.

King said Barbados' major difficulty stems from the fact that for many years it has been spending more foreign exchange than it has been earning. As a result, the foreign reserves have been under constant pressure, which increased last year with a steep rise in the fiscal deficit from under one percent of GDP in 1989 to 8.8 per cent.

The surge in the deficit to 258.8 million dollars also stemmed, in the final analysis, from the economy's inability to earn sufficient foreign exchange, the Central Bank governor said. He said government should take "whatever measures are necessary" to produce a significant growth in foreign exchange earnings.

As part of the structural adjustment effort, he proposed use of a tight fiscal policy "to encourage activities that are foreign exchange earning and to discourage activities that are foreign exchange using."

A country pursues structural adjustment to adapt to a major unexpected change that is generally unfavourable. A key objective is to make the country less vulnerable to future shocks by increasing its flexibility and adaptability. Dr. King said conditions were "better now" than, say, a month ago for getting on with this task of adjustment.

"... It is clearer now what our position is, the pressures are greater now given the situation in the Gulf, and I think Barbadians who may have been distracted by all kinds of other things in the recent past will now be able to focus on what needs to be done and how we can get together and put our house back in order," King told reporters.

King said decisive action by Barbados over the coming months would also enhance the island's credibility as a borrower on the international capital markets. At present, he noted, Barbados enjoyed access unavailable to most developing countries. Downplaying suggestions that Barbados' credibility had slipped in light of domestic economic conditions, King said: "Our continued credibility depends on our actions rather the words that are spoken whether for or against.

"The market is a very precise judge.... If we show within the next few months that we know what to do and we have the will to do it, then the market will welcome us and we will have no difficulty (getting additional loans)."

King said emphasis in the short term should be put "on those areas of exports (such as sugar, tourism, and international business services) which can bring a quick return" whilst putting in place measures for the long term expansion of the export sector. King said such an approach would put Barbados on the road to recovery from the current slide in the economy.

King said the decline in GDP last year largely reflected the open and dependent nature of the Barbados economy, which is heavily influenced by developments in the industrialized countries, particularly recession-hit Canada, United States, and Britain, its major trading parners. Current forecasts suggest 1991 will be an even more difficult year, King said, citing a continuing slump in the vital tourist industry related to the recession in key markets and the Gulf war.

"Barring a disastrous performance in tourism in the next few months," King said, Barbados had the capacity to emerge from the current downturn through its own efforts. Despite the current weak external position, "we do have resources of reserves that we can call upon to take us through a difficult period," the Central Bank governor assured.

He said seeking IMF support was unwarranted in the current circumstances, "if we do the right thing." However, should the international economy collapse, he suggested the IMF route might become necessary.

King, addressing current fears of devaluation, recalled Barbados had entered a stand-by arrangement with the IMF in the early eighties without devaluing its dollar. He urged Barbadians to "stop fantasizing" about devaluation.

"There is no reason to devalue the Barbados dollar. There are many measures that we can take to recover from our present situation that do not include devaluation....," he said.

Official Opposition Party Names Two Senators

FL2901232591 Bridgetown CANA in English 2205 GMT 29 Jan 91

[Text] Bridgetown, Barbados, Jan 29, CANA—The opposition Barbados Labour Party [BLP] on Tuesday named 25 year-old lawyer Mia Amor Mottley and 40-year-old statistician Tyrone Barker as its senators. The party also announced the appointment of education official Gline Clarke as personal assistant to the leader of the opposition.

Henry Forde's BLP won 10 seats in the January 22 general election which saw the return to office of the Democratic Labour Party (DLP) for a second five-year term. Forde, as opposition leader, is allowed to name two persons for appointment as senators. The BLP also announced that Mottley and Barker will be BLP spokespersons on youth affairs and culture, and health respectively.

Grenada

Brathwaite Aims To Avoid IMF Borrowing

FL2901210591 Bridgetown CANA in English 1955 GMT 29 Jan 91

[Text] St. George's, Grenada, Jan 29, CANA—Prime Minister Nicholas Brathwaite, trying to avoid having to borrow from the International Monetary Fund (IMF) to shore up the Grenada economy, is underscoring the need to increase production and efficiency. Brathwaite told Parliament Monday his government, through "responsible behavior" would "prevent this country from going down to the bottom of the pit."

While winding up 1991 budget debate, Brathwaite, who served in Guyana with the Commonwealth Youth Programme, cited his own experience in a country with an IMF programme and cautioned about Grenada's heavy importation. In 1989, Grenada had EC 75.6 million dollars (one East Carib dollar = 37 U.S. cents) of exports and imports of 272 million.

"What we are doing is importing much more than we are earning for our exports," Brathwaite complained.

"I have had the experience of knowing what that could mean to any country and I have made it clear that I lived in one country that had to go to the IMF and in my life time I'm not going to live in a second," he declared. He said it was important that Grenada be organised to maximize productivity and eliminate wastage to improve the economy.

Prime Minister Brathwaite wound up the Grenada 1991 budget debate Monday night praising the government's measures and criticising the economic management of the previous administration. The debate covered four weeks, including combined contributions of more than 16 hours by opposition members Dr. Keith Mitchell and Ben Jones, and evoked a promise by Brathwaite that strict time limits will be applied in future budget debates.

State-owned Radio Grenada broadcast the entire debate live for the first time, but Brathwaite in his wrap-up promised it will also be the last such broadcast because "opposition members have abused the opportunity to be on the air."

Brathwaite said the issues raised by Finance Minister George Brizan's EC 260 million dollars budget, of December 27, were not difficult to understand because they reflect a trend started by the former New National Party (NNP) government of Herbert Blaize.

"This government of 1984 came into office and met budgetary support in place and they had it for two years giving them an opportunity to put their house in order.... They never did this," Brathwaite told Parliament.

He quoted Organisation of Eastern Caribbean States (OECS) 1988 reports stating that problems were identified in the economy but advice was never heeded. "If it was done then, we would not have been talking about a ten per cent (national debt service) levy today," he told Parliament.

Braithwaite said opposition member Ben Jones, who recently resigned from the cabinet, pretended ignorance of the economic situation. But he said Jones was prime minister while a 69 million dollars national debt arrears grew without "any attempt to take the necessary steps to.... service it."

On the question of lengthy contributions, Braithwaite said that in the next budget debate the opposition leader will be allowed only as much time as the budget presentation takes. Other members will have a maximum of one hour to speak. The New National Party accused the government of "trying to take away the chance for the Grenadian people to hear the opposition's side of the story."

NNP's Mitchell had earlier in the debate taken more than 10 hours to respond to the budget. Opposition leader Winifred Strachan took just 25 minutes to respond to the finance minister. But for more than five hours, Jones addressed the assembly, urging greater allocations for farm roads and for procurement of equipment to help farmers.

Jones said government should offer price supports on farm inputs among other incentives to support farmers and encourage younger people into the sector. Jones resigned from the cabinet two days after moving from the agriculture portfolio to external affairs. After Monday's sitting the former minister accused the government of trying to "muzzle" him.

Haiti

'Informed Sources' Say UN Observers Wanted

AU2901153791 Paris AFP in English 1459 GMT 29 Jan 91

[Text] Paris, Jan 29 (AFP)—Haiti wants to retain U.N. observers because of continuing violence in the Caribbean nation, informed sources said Tuesday [29 January] on the second day of President-elect Jean-Bertrand Aristide's visit to France.

Father Aristide, 37, who is a Catholic priest, requested more development aid in meetings with Prime Minister Michel Rocard and the ministers of cooperation and foreign affairs, Jacques Pelletier and Roland Dumas. He was to meet later with President Francois Mitterrand.

Sources at the prime minister's office said Father Aristide stressed his determination to further the democratic process and the reorganization of state power in Haiti.

He also expressed concern over the militia of the former Duvalier regime, the Tontons Macoutes, and for the moment wanted to keep observers sent in by the United Nations to ensure democratic elections last December.

In the latest outbreak of violence last weekend, 17 people were killed and 15 injured in Haiti in the wake of unfounded reports of a new neo-Duvalierist coup.

Father Aristide has said the disturbances were an attempt by the former Tonton Macoutes to "destabilise the country once again," and on Tuesday blasted them as a "band of terrorists," the sources said.

Father Aristide, who is due to be sworn in on February 7, told French officials he would name his prime minister and cabinet next week, and would give priority to agricultural development and the fight against illiteracy, the sources said.

He said he wanted Haiti to become self-sufficient in providing its food supplies.

The president-elect also urged French support for renovating roadways and labor-intensive industries in Haiti, considered the poorest nation in the western hemisphere.

France is second only to the United States as Haiti's main financial backer.

Father Aristide, who was elected with massive support, has stressed the need for "law and order" in troubled Haiti.

An unsuccessful coup attempt was made on January 7 by Roger Lafontant, a declared foe of Father Aristide and a stalwart in the regime of dictator Jean-Claude Duvalier.

who was ousted in February 1986 and lives under house arrest in the south. Mr. Lafontant is now in prison.

The priest's visit here was the first by a Haitian head of state since the independence from France in 1804 of Saint Dominique as the island was then called.

Further on Aristide Official Visit to Paris

FL2901034591 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 91

[Text] President-Elect Jean-Bertrand Aristide left the capital on 27 January for a 48-hour visit to Paris. President-Elect Aristide is now in Paris and will meet tomorrow with French President Francois Mitterand. Upon his arrival in Paris, the president-elect emphasized the willingness of the Haitian people to establish a state of law in Haiti. The president-elect pointed out an attempt by the macoutes to destabilize the country once again.

During a stop in Guadeloupe, on the way to Paris, President-Elect Jean-Bertrand Aristide pointed out that the invitation from President Mitterand came straight from the hearts of the friendly people of France. Before his interview with the French president, which will be followed by a lunch at the Elyssee Palace, Jean-Bertrand Aristide will meet French Prime Minister Michel Rocard, Foreign Affairs Minister Roland Dumas, and Cooperation Minister Jacques Pelletier. Later in the afternoon, he will meet with Interior Minister Pierre Joxe.

On 28 January the president-elect was received by the president of the French Assembly, Laurent Fabius and Mrs. Edwidge Avis, delegate minister at the Foreign Affairs Ministry before attending a dinner in his honor (?given) by Mr. Pelletier.

Reportage on Aristide Visit

WA2901144291

For reportage on the visit by President-elect Father Jean-Bertrand Aristide to France, including reports on upcoming meetings with French President Francois Mitterrand and other top officials, please see the France section of the 28 January West Europe DAILY REPORT and subsequent issues.

Calm Reported After Weekend Violence;17 Dead

FL2901130091 Bonaire Trans World Radio in English 1130 GMT 29 Jan 91

[Text] Haiti has reported calm following an outbreak of violence that claimed the lives of 17 people over the weekend. The altercations began early Sunday morning when hundred of demonstrators armed with machetes and batons took to the streets of Port-au-Prince in reaction to rumors that two former Duvalierists overthrew Mrs. Ertha Pascal Trouillot's government.

Macoute Hunters Terrorize, Rob Canadians

FL2901150291 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 91

[Excerpts] Sunday, 27 January, was a very hot day. Flames were rising to the sky, and burning barricades were set up in Gelee [a beach in les Cayes] to block the road from the Macoutes. Rumors of a coup attempt were emanating out through the country, turning it upside down and disturbing the serenity of the population of the south, especially in the city of Les Cayes.

A sugarcane field was totally burned near the Ravine du Sud; more than six houses ransacked; $4,500 taken. Threats of death were directed at Canadian citizens in Gelee and several people were arrested by the police.

Yesterday morning, hundreds of demonstrators, armed with machetes and sticks, marched to Cayes Larco near Ravine du Sud, supposedly searching for macoutes who were hiding there. They set fire to the four corners of a sugarcane field, former property of Pierre Jeannot, then moved on to Gelee Beach and entered the house of a Canadian businessman named Steve Picard, still in search of Macoutes, they said.

They asked the wife of Steve Picard to open a safe which contained the payroll for employees of the fish market, and held a knife to her throat. They stole the $4,500. Mrs. Steve Picard was slightly injured from the knife, and another Canadian woman was severely beaten with a stick. Police arrested someone named Lajou who had participated in the operation. Other arrests were made, based on information from a reliable source. Steve Picard is demanding punishment of these actions and restitution of the $4500. [passage omitted]

Most of the demonstrators and those on the lookout for Macoutes did not participate in the plunderings. Only a small group had as their primary objective searching for Macoutes. The question as to whether there indeed were Macoutes is still being asked.

FADH Warns of Plot To Discredit Army

FL2901191591 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 91

[Text] Confronting the damages sustained on the morning of 27 January, the High Command of the Haitian Armed Forces [FADH] believes it must warn the people about manipulations intended to rouse the Haitian people against their Army, resulting in destabilization of the country. The FADH High Command is therefore asking citizens to remain calm and clear-minded, and to be alert to avoid any action that could jeopardize the future of the fledgling democracy for which they have fought, and for which all continue to fight.

The FADH reiterates its commitment to respect the Constitution and the Haitian people's will, to rely on the

collaboration of the people, and to stand in the way of any who attempts to destroy this country that they love.

This press release was signed by the secretariat of the military High Command, dated 27 January 1991.

Magazines Compare Aristide to Francois Duvalier

FL2901200591 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 91

["Excerpt" from "The Weekly Press Review" on Radio Metropole, Port-au-Prince, 28 January—live or recorded]

[Text] In BALANCE magazine, Herold Jean-Francois poses significant questions about temptations the president-elect will have to face, such as the Duvalier syndrome. Will Aristide establish personal power in the country? Will dictatorship be installed again in Port-au-Prince? Considering recent appearances, the BALANCE journalist is asking: Will the new president not have to stand aloof from his most zealous partisans in order to have room to maneuver and make honest decisions alone? Other questions: Will the people not witness a danticacel [as heard] hemorrhage of the Sixties? Will Aristide not achieve the same coup as Francois Duvalier in applying the famous maxim: "Gratitude is cowardice?"

Dr. Francois Duvalier came to power 34 years ago. Some are observing similarities between the situation following Duvalier's election on 22 September 1957 and the circumstances since Father Jean-Bertrand Aristide was elected on 16 December. According to Herold Jean-Francois, the 16 December elections compare to those of 1957 in that both of them unfolded under personal leadership. The journalist thus finds it natural for people to question the real nature of the future power before asserting in conclusion that the Duvalier syndrome was strong and outstanding in its time, but now there are other men, other circumstances, other morals and practices.

HAITI OBSERVATEUR has expressed virtually the same thoughts. The magazine quotes a Creole saying in its editorial: Pumpkins do not produce calabash, or rather like father, like son—comparing the 7 January 1991 events with those of July 1958. HAITI OBSERVATEUR moreover asserts that Haiti finds itself in a forced 34-year flashback. When the crowd responded to the call of Francois Duvalier, victorious over less than half a dozen challengers in 1958, who could have foreseen that this same phenomenon would reoccur in 1991.

Those who are denouncing the horrible cases of violence which accompany the dechoucage [uprooting] do not understand that the violence is a consequence of Macoutism, and that Haiti risks finding itself in an eternal cycle of horrors unless and until there is a real dechoucage which will have done with it once and for all.

Schedule of Events for Aristide Inauguration

FL2901141591 Port-au-Prince Radio Metropole in French 1700 GMT 28 Jan 91

[Text] According to the newspaper, HAITI PROGRES, the official appointment ceremonies will occur in three stages. On 7 February, at 1300 GMT, President-elect Jean-Bertrand Aristide will take the oath of office before the Chamber of Deputies and Senate at the Legislative Palace. At 1400 GMT, he will arrive at the Cathedral of Port-au-Prince for the traditional Te Deum, then to the National Palace where he will make his first presidential speech to the Haitian people and receive the officials' honors.

Several cultural activities will take place during the day of 7 February in the quarters of the capital: popular theater, greasy pole [climbing], and music. On 8 February, President Aristide will place a bouquet of flowers at Fort-Dimanche, a prison famous for tortures, in memory of victims of dictatorship.

The Fort-Dimanche committee and the Lavalas [Avalanche] committee are in charge of the events of 8 February. On the 9th, the president will meet with delegations from the diaspora, who are coming to attend the ceremony.

Serges Gilles To Visit Venezuelan Parliament

FL2801171191 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 25 Jan 91

[Text] Serge Gilles, leader of the National Progressive Revolutionary Party [PANPRA], and second-in-command of the National Alliance for Democracy and Progress [ANDP], is departing, with his wife, for Caracas, Venezuela this morning. He will be there for six days, by invitation of Venezuelan President Andres Perez. Mr. Gilles will meet not only with President Perez, but also with a number of members of the Venezuelan Parliament.

St. Vincent and the Grenadines

Union Approves Sending Cane Cutters to St. Kitts

FL2901143091 Bridgetown CANA in English 1250 GMT 29 Jan 91

[Text] Kingstown, St. Vincent, Jan 29, CANA—After strongly opposing the decision last year to send Vincentian labourers to harvest sugarcane in St. Kitts, the National Workers Movement (NWM) this year has come out in support of the programme.

General Secretary Noel Jackson said the union's objection last year stemmed from the use of Vincentian cane cutters as "scabs" to get around a dispute between the St. Kitts-Nevis Trades and Labour Union and the St. Kitts Sugar Manufacturing Corporation (SSMC). He said the situation appeared different this year and the presence of

Vincentian cane cutters in St. Kitts was not expected to infringe on the rights of workers there.

The NWM and other labour unions here hosted officials of the St. Kitts-Nevis Trades and Labour Union at a forum last year to steer public opinion in opposition to the programme. The Labour Department, however, went ahead with the request by the SSMC for 200 workers. The department is again recruiting, on the SSMC's behalf, a similar number of workers for the current reaping season which started on Monday.

Jackson said with unemployment in St. Kitts being much lower than here, and most other territories in the region, it was in a good position to give assistance in providing jobs.

Trinidad and Tobago

Minister on Effects of War on Caricom Trade

FL2901231091 Bridgetown CANA in English 2132 GMT 29 Jan 91

[Linda Hutchinson report]

[Text] Port of Spain, Trinidad, Jan 29, CANA—Trinidad and Tobago's Finance Minister Selby Wilson said on Tuesday that trade relations between the Republic and other Caribbean Community [Caricom] member states could be adversely affected by high oil prices resulting from the Persian Gulf war.

He told the Senate this oil-producing state may have to look outside Caricom for export markets or may have to assist some neighbours—simply "to preserve the trading links that we have established with them."

"In respect of the Gulf Crisis and the likelihood of oil prices getting up to astronomical levels, I would like to caution that such a situation would indeed affect regional trade among the Caricom countries," he said.

"Principally, because the non-oil-producing Caricom islands, would have to pay more for their energy imports and oil imports and therefore they would have less resources to support their normal trade patterns with Trinidad and Tobago.

"Indeed it will affect the trade relationship between Trinidad and the Caricom countries and.... It might be affected adversely in that in the event that it should take place, Trinidad and Tobago may have to find markets other than Caricom to export their goods and services or indeed we may have an obligation to come to the rescue of the Caricom countries in order to preserve the trading links that we have established with them and in order to ensure that our manufacturing sector can enjoy some level of operations," he said during the second reading of the Stamp Duty Act.

He said Trinidad and Tobago's intra-regional trade performance has improved considerably as compared with periods prior to 1987. "I think one of the contentious issue in Caricom today.... one of which will be discussed in the upcoming council of ministers meeting in Georgetown next week, is whether or not Trinidad and Tobago has not really monopolised the intra-regional trade," he said.

He said if the trade is in the country's favour, it is only a reflection of challenges which the business sector has taken up and adjusted to in spite of problems in the regional and international economies.

Economist Warns No Oil Aid to Caricom This Year

FL2901163791 Bridgetown CANA in English 1445 GMT 29 Jan 91

[Text] Port of Spain, Trinidad, Jan 29, CANA—A top Trinidad and Tobago economist Frank Barsotti says a fall in oil prices would lead to a review of the country's 1991 budget.

"I think if it comes down to $15 and stays there, the minister of finance, would... best [be] advised to have a new budget for what remains of fiscal 1991," said Barsotti a former permanent secretary in the Ministry of Finance.

Finance Minister Selby Wilson made budget projections on the basis that the country's main export, oil, would remain at $22 a barrel, but the Persian Gulf war has resulted in fluctuations of the price. Barsotti said a budgetary review would enable Wilson to "look at the whole picture in a comprehensive fashion" as suggested by Dr. Terrence Farrel of the Central Bank.

Barsotti, a member of a panel on National Broadcasting Services (NBS) on Monday night, said if the oil prices went down, it would not help Trinidad and Tobago, but would assist non-oil producing Caribbean Community (Caricom) states. "If it went the other way, they (Caricom) would be completely wiped out and I don't think that Trinidad is in any position to launch an oil facility as was done in the first two oil shocks," he said.

Twin-Island Nation Signs World Bank Convention

FL2501180091 Bridgetown CANA in English 1724 GMT 25 Jan 91

[Text] Port of Spain, Trinidad, Jan 25, CANA—Trinidad and Tobago has just become the 98th country to sign the Convention of the World Bank Associate, the Multilateral Divestment Guarantee Agency (MIGA). The signing puts the oil-rich Caribbean state in line for aid considerations.

MIGA promotes private investments for its members through its policy, advisory services, and its guarantee programme. Executive vice president of MIGA, Yoshio Torasawa welcomed this country as a signatory to the convention and expressed confidence in future relations between this country and the organisation.

Angus Khan, Trinidad and Tobago's ambassador to the United States signed on behalf of the government, the External Affairs Ministry said.

Public Sector Unions Demand Back Pay, COLA

FL2901145591 Bridgetown CANA in English 1303 GMT 29 Jan 91

[Text] Port of Spain, Trinidad, Jan 29, CANA—Public sector unions here have announced plans to hold three national protest rallies if the government fails to meet a February 15 deadline for settling outstanding payments to state employees.

The unions want the government to restore salaries with cost of living allowances (COLA), suspended four years ago as part of cost-cutting measures, and to honour a two percent salary increase awarded by a special tribunal.

The unions also want the government to pay arrears on back pay, sick leave, and COLA to all sugar workers, among other demands.

The Joint Trade Union Movement (JTUM), an umbrella body representing a cross-section of trade unions, called on members to mobilise for the rallies, planned for Port of Spain on February 23, in central Trinidad on March 9, and in the south on March 23.

In a related matter, thousands of teachers stayed away from schools in central, east, and northeast Trinidad on Monday as part of a renewed attempt by the Trinidad and Tobago Unified Teachers Union (TTUTA) to force the government to make the outstanding payments.

Finance minister Selby Wilson has indicated that government does not have the resources at present to meet the demands of the unions.

Bomb Explodes at American Express Office

PA2901154291 Paris AFP in Spanish 1511 GMT 29 Jan 91

[Text] Mexico City, 29 Jan (AFP)—Police reported today that a small home-made bomb went off last night in front of the main office of the American Express Company in the Mexican capital. There were no victims or significant damage.

The bomb exploded at 2015 (0215 GMT) on the sidewalk in front of the building and only broke one of the company windows. No one was inside the building at the time.

The explosion caused alarm in the residential and commercial area (located about 150 meters from the French Embassy) and the police immediately evacuated the area and began investigating the origin of the bomb.

No group or organization has thus far claimed responsibility for the attack.

Newspaper Criticizes Anti-Drug AWACS Flights

PA2901134391 Mexico City NOTIMEX in Spanish 1554 GMT 28 Jan 91

[Text] Mexico City, 28 Jan (NOTIMEX)—The Mexican newspaper EL FINANCIERO states today that the authorization for U.S. anti-drug planes to overfly Mexican territory means Mexico's "silent integration," in view of the imminent Free Trade Agreement with the United States.

In a full-page article, the paper says that over the last six years the United States offered Mexico supersonic planes for $1 as part of its campaign to establish its air objectives in this country. Mexico rejected the offer. However Jorge Carrillo Olea, coordinator of the investigation and war against drug trafficking, said on 25 January in Washington D.C. that the Mexican Government has allowed AWACS [Airborne Warning and Control System] planes to overfly Mexico.

These planes would be flown by U.S. and Mexican crews.

According to EL FINANCIERO, AWACS flights in Mexican airspace is a 180 degree turn in bilateral cooperation. Mexico had stressed that it would never allow foreign intervention in its territory.

The newspaper claims that according to analysts, Mexico's acceptance of the flights is part of a "silent integration of our country into the Free Trade Agreement."

The article quotes a book by former Attorney General Sergio Garcia Ramirez who states that for the Mexican Government this option is preferable to accepting the offer of buying planes for $1.

The actual value of the planes is $2 million and, although the contract does not say so, "donating" them for $1 would have left the balance pending. The problem is how did the United States intend to collect this balance.

Party Leader Protests Flights

PA2801222891 Mexico City NOTIMEX in Spanish 0127 GMT 28 Jan 91

[Text] Monterrey, 27 Jan (NOTIMEX)—Cuauhtemoc Cardenas has said that U.S. planes on drug fighting missions flying over Mexican territory violates the country's sovereignty and should be suspended.

The Party of the Democratic Revolution (PRD) leader said this in reference to statements made in Washington by Jorge Carrillo Olea, general coordinator of the Investigation and Struggle Against Drug Trafficking. Carrillo Olea said that the Mexican Government had approved the antidrug missions.

Cardenas said that patrolling Mexican airspace should only be done by the Mexican Government, which has its own security apparatus; therefore, it is not "necessary for agents from foreign institutions intervene."

Regarding the possible establishment of a free trade agreement with the United States, Cardenas said that this should not be limited to the economic aspect but should also involve actions that guarantee the country's development in accordance with its independence.

PEMEX 'Will Honor' All Contract Agreements

PA2601013891 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 25 Jan 91

[Text] Mexican Petroleum (PEMEX) has reaffirmed that it will honor all its contractual agreements.

In a communique PEMEX stressed that the Persian Gulf conflict will not affect its long-standing commercial relations with more than 40 clients in 20 countries.

PEMEX added that during the past months it has placed an average of 1.360 million barrels on the international oil market through contracts with authorized oil refineries.

PEMEX has not changed its policy since it began its exporting in the mid 70's.

Singapore's Lee Kuan Yew Arrives for Visit

BK2901150091 Singapore Domestic Service in English 1400 GMT 29 Jan 91

[Text] The senior minister Mr. Lee Kuan Yew has arrived in Mexico City. His seven-day official visit is at the invitation of President Carlos Salinas de Gortari.

At a news conference with Mexican reporters, Mr. Lee spoke on trade and the Gulf war. Mr. Lee said there is no shortage of oil as countries in the region such as Malaysia, Indonesia and Brunei also export oil to Singapore. The problem, he said, is [words indistinct].

On trade, Mr. Lee said Mexico is on a turning point and is moving towards a more free market. Mr. Lee is accompanied by the Education Minister Dr. Tony Tan and the Acting Minister for Information and Arts, MP [member of Parliament] and Minister of State for Foreign Affairs, Brigadier-General George Yeo. Also in the delegation are MPs, bankers and business leaders.

El Salvador

Cristiani Denies Army Culpability in 'Massacre'

PA3001033191 San Salvador EL DIARIO DE HOY in Spanish 28 Jan 91 P10

[Text] Although we cannot say for sure that the reason for the massacre of 15 family members in El Zapote canton on 21 January was a feud between two families, the investigations lead us to believe that this was the reason for the crime. President Alfredo Cristiani said this during a visit to the Rio Lempa water plant in Las Pavas canton on 26 January.

The president said he had met with the president of the criminal investigation commission, who showed him a file of the testimonies presented by several witnesses and area residents. "Everything seems to indicate that there were problems between two families," President Cristiani stated. He added however, that it would be speculative to judge the case at this time. The president said we should wait until the investigation is completed.

Regarding charges by the Farabundo Marti National Liberation Front that members of the Armed Forces members or people connected with the institution are responsible for this massacre, President Cristiani said they were irresponsible and groundless.

The president reported that he will hold a second meeting with the criminal investigation commission president on 29 January to receive an updated report on the investigation.

Concerning the way in which the FMLN is attempting to handle the cases of people charged with the murder of the two U.S. soldiers, Cristiani said that this was ridiculous because the FMLN is not a legal organization and cannot act as such.

These are illegal groups and, with this attitude, the rebels are signaling that they do not want the investigation to continue because they fear that other people who are involved in the crime could be discovered, like the people who are really behind the action.

Regarding progress in the peace negotiations, President Cristiani reported that everything is going well and that the negotiators have exchanged viewpoints on several pending matters, especially the ones related to military reform.

UNTS Blames Army Official

PA3001014291 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Jan 91

[Mauricio Funes report; italicized passages recorded]

[Text] The UNTS [National Unity of Salvadoran Workers] leadership today named Colonel Francisco Elena Fuentes, commander of the 1st Infantry Brigade, as the person responsible for the murder of 15 peasants in the Ayutuxtepeque District on 22 January. According to the UNTS, the manner in which the multiple murder was carried out casts the blame on the long-range reconnaissance patrols, PRAL, that operate in the area.

[Unidentified UNTS member] *We accuse Elena Fuentes as the person responsible for giving the order to massacre this family, leaving behind 18 orphaned children and an elderly person.*

Although the Supreme Court of Justice's decision on the case is still pending, the UNTS went ahead and accused the Armed Forces, pointing a finger at the commander, who has jurisdiction over the area where the crime occured. For this labor union, the fact that Elena Fuentes has jurisdiction over the area is evidence against the military officer.

[UNTS member] *Why do we make this accusation? First and above all, because the massacre was carried out in territory controlled by Elena Fuentes. We believe that the people here know and are aware of the death squads' way of thinking and of operating, because this is not the first time this has occurred.*

According to the UNTS, the characteristics of the massacre, how it took place, and the fact that survivors had identified the perpetrators as individuals dressed in black uniforms, incriminates one of the elite units of the brigade operating in the area.

[UNTS member] *We demand that President Cristiani and General Rene Emilio Ponce not remain silent. They should give some kind of explanation to the Salvadoran people, and turn over the murderers to the judicial system so that they may be tried and punished according to law. We also urge the attorney general and the Supreme Court president not to remain seated in their shiny offices, and that once and for all they do something to investigate this case and turn over these criminals to the system of justice.*

The UNTS analysis indicates that this crime was an attempt to intimidate the opposition parties' followers and activists shortly before the legislative and municipal elections. The UNTS said that due to this prevailing situation the conditions for fair participation in the electoral process do not exist. The UNTS stated they would not sign any political agreement with the opposition, nor would they, as a labor union, support a specific political alternative.

CSJ President Wants 'Killers' of U.S. Airmen

PA2901195091 San Salvador Canal Doce Television in Spanish 0259 GMT 29 Jan 91

[Text] Mauricio Gutierrez Castro, president of the Supreme Court of Justice [CSJ], today insisted that the FMLN [Farabundo Marti National Liberation Front] must hand over the killers of the two U.S. airmen who died in Lolotique. During an interview with this station, Gutierrez said that a trial of the killers by the rebels is

unacceptable because such a trial is of the sole competence of legal courts, whose impartiality has already been demonstrated.

[Begin Gutierrez recording] The courts have clearly demonstrated, more than once, that we administer justice in accordance with the evidence at hand and the law regardless of the political inclinations of those involved. I can even point to specific instances where the FMLN has resorted to the judicial system and has had positive results. One of these is the case of Morales Carbonell, the son of Morales Sendric, who was tried. He filed an habeas corpus recourse, which was heard by the CSJ's constitutional room. Considering that there was not sufficient evidence, this room ordered his release. [end recording]

Gutierrez also said that the first instance court in Chinameca has started an inquiry on the case of the Americans killed and could even issue arrest warrants against the indicted men.

[Begin Gutierrez recording] The magistrates have also been following established procedures. A crime and its penalty must have been typified in the law. If we consider all these factors, we are experiencing a juridical aberration. If the FMLN wants justice to be adminstered in this case, all they have to do is to hand over the responsible persons to the judicial authorities. These authorities must deal with these men in the same manner they would deal with any other person. [end recording]

Regarding the El Zapote massacre, Gutierrez said the judge has started to collect the necessary evidence to clarify the case. He described as positive a meeting held Monday with members of the CSJ's support committee. After an examination of the judicial system, a number of solutions should be found.

Military Action, Clashes for 18-24 Jan Reported

PA2801191391

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 21 January, in its "Pledge to Victory, Death to Militarism" segment, carries a two-minute report stating that at 0100 on 19 January, National Army for Democracy [Ejercito Nacional para la Democracia—END] forces attacked Army positions in El Refugio, to which the Army responded with indiscriminate mortar fire. END also distributed propaganda in Montanita, El Tigre, La Reina, and Los Tecomates, and sabotaged four utility poles along the northern trunk highway.

On 21 January, San Salvador LA PRENSA GRAFICA in Spanish on page 3 reports that on 18 January FMLN forces placed explosive devices on several utility poles in the Miramonte neighborhood and other nearby areas, damaging several homes and causing blackouts. The same newspaper also reports that FMLN forces, attacked the El Refugio military base in Chalatenango with 81-mm mortars; there were no casualties. No date for this action was provided. Meanwhile, Coprefa [Armed Forces Press Committee] reports that Military Detachment 3 forces seized one grenade launcher and one Soviet-made AK-47 near the hamlet of El Burro in Morazan Department. In addition, 1,200 cartridges, 31 sticks of dynamite, and other material for the manufacture of explosives were also captured.

Radio Venceremos at 0000 GMT on 23 January carries a 12-minute report read by the station announcer. The report opens with a communique from END's third region, which states:

1. On 10 January, the Army initiated an offensive against the END's northeastern front, during which the Army captured civilians and bombed populated areas.

2. On 22 January, END attacked and threw into disarray the Cacaguatique Battalion's 3d Company in Gualococti.

3. The clashes began at 0730 and continued until 1100, when the "enemy" forces were dislodged from the town.

4. At 1200, END clashed with Army troops in Delicias and Osicala. Preliminary reports indicate that the Army suffered 21 casualties. The END seized one M-60 machine gun with two cartridge belts, four knapsacks, and other war materiel. One END member was wounded

Radio Venceremos goes on to report that on 21 January at 1415, END forces inflicted four casualties on the Treasury Police as the result of ambushing a vehicle transporting Treasury Police officers to Azacualpa. On 21 January at 1400, END forces clashed with members of the "anti-democratic" Army in San Jose Guayabal. The Army suffered three casualties, including dead and wounded.

Also on 21 January at 2300, END blew up 12 utility poles in Cabanas Department. Other END forces simultaneously distributed propaganda in 36 cantons and hamlets in Cabanas Department.

The Venceremos report goes on to state that on 19 January at 2200, END forces distributed propaganda in Carolina, then withdrew from the town unchallenged.

Radio Venceremos at 0000 GMT on 24 January carries an eight-minute series of reports on military activities. The first report from Las Vueltas Jurisdiction, Chalantenango Department, states that "END units launched an attack on Military Detachment No. 1 [DM-1] troops" at 0345 on 23 January in El Pino sector, in (El Gallinero). It indicates that the FMLN inflicted nine casualties and states than the Army suffered an additional four casualties in subsequent END attacks, at 1005, 1300, and 1330, on (Pandora) Mountain. "In all, END units inflicted 13 casualties," the report notes.

Another report from Las Vueltas Jurisdiction states that the Army sustained two casualties in separate attacks on (Pandora) Mountain at 1100 and 1350 on 22 January. Continuing to report on fighting on 22 January, Radio

Venceremos states that "at 2200 on 22 January END units launched an attack on Atlacatl Battalion soldiers along the highway from Dulce Nombre de Maria to San Fernando, in the stretch between (Plan de Ojos de Agua) and (Plan del Manzano); the enemy sustained one casualty."

"At 1350, on 23 January, END units inflicted two casualties on Atlacatl Battalion troops in Ocotal Canton, Dulce Nombre de Maria Jurisdiction; and one Atlacatl soldier was killed and another wounded," the rebel radio station states.

Reporting on operations by urban cells, the rebel radio reports on an attack against units that provide security for the Air Force at 1015 on 23 January, in (Plantel del Tetua), "at the entrance of the Santa Eduviges neighborhood, Ilopango, San Salvador Department; we inflicted four casualties on the enemy."

A report from the Modesto Ramirez Central Front states that at 1250 on 23 January, END units and special operations group troops engaged in fighting in Loma Larga Canton, San Jose Guayabal Jurisdiction; the Army sustained three casualties.

Reports from the Francisco Sanchez Northeastern Front indicate that at 0915 on 23 January, END units attacked "two enemy companies of Military Detachment No. 4 [DM-4] troops who were on their way from the Gualococti sector to Osicala, near the Osicala Cemetery. So far, we confirm inflicting four casualties on the enemy." The station adds that during two days of fighting, "25 casualties" were inflicted on DM-4 in Morazan Department, "because areas under the control of the people have to be respected."

San Salvador Canal Doce Television in Spanish at 0300 GMT on 24 January carries a one-minute report citing Coprefa as saying that "seven persons were killed and 17 were wounded in fighting on 22 January in the country's eastern sector." According to Coprefa, on 23 January, "Army soldiers attacked FMLN positions in northern San Salvador," and three soldiers and four guerrillas were killed in fighting in Morazan and Usulatan Departments.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 25 January carries a 3-minute segment on military actions. It starts by stating that at 1100 on 24 January the Army sustained four casualties near the village of Plan Grande, La Laguna Jurisdiction, Chalatenango. Reporting on separate attacks on Army troops in Las Vueltas Jurisdiction on 24 January, the station indicates that END units inflicted five casualties. Radio Venceremos at 0000 GMT on 25 January carries a four-minute series on the latest military operations. It notes that "the towns of San Simon and Gualococti were taken over by the FMLN; from 22 January until 23 January those towns were under our control, after we forced two Cacahuatique Battalion companies and one commando unit to flee the area."

MNR Leader Recovering From Surgery in Mexico

PA2901004091 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 28 Jan 91

[Text] The National Revolutionary Movement [MNR], which is a member of the Democratic Convergence [CD], has confirmed our report that Dr. Guillermo Manuel Ungo had surgery and is recovering in a Mexico City hospital.

This morning, MNR leader, Rene Flores, announced to the press that Dr. Ungo had surgery on 23 January to remove a benign tumor from a cervical vertebra in the brain.

The MNR leader told the press that Guillermo Ungo is doing well and is expected to recover fully in about two to three weeks. Rene Flores added that Dr. Ungo's health will not affect the electoral campaign of the party; therefore, Ungo will continue to run for deputy of San Salvador on the CD ticket.

Guatemala

Guerrillas Strike Pipeline; Attack Army Officials

PA2901171991 Panama City ACAN in Spanish 1553 GMT 29 Jan 91

[Text] Guatemala City, 29 Jan (ACAN-EFE)—The police reported today that Guatemalan guerrillas destroyed and set on fire a stretch of an oil pipeline belonging to the "Rubelsanto" petroleum enterprise, which operates in Alta Verapaz, northern Guatemala, causing large property damage.

"Before dynamiting and setting the pipeline on fire, the guerrillas blocked the road with two trucks, called the residents of Fray Bartoleme de las Casas and the stranded drivers to a meeting, where they delivered a message," the source said.

The rebel commandos covered the road with tree branches to make sure that no one passed through.

According to the police, after the meeting during which members of the Guatemalan National Revolutionary Unity (URNG) shouted slogans against the government, the rebels left for the nearby mountains without harming the local residents.

"Soldiers were posted in the sector, but made no contact with the rebels," the report added.

During the past few months, URNG guerrillas have carried out various actions against oil companies in Alta Verapaz. Last week they blew up the "Rubelsanto" firm's oil well.

Meanwhile, an Army spokesman reported that yesterday guerrillas attacked two military commissioners and one army officer.

Infantry Lieutenant Gilberto Leiva and one of the commissioners died in the attack, and the other commissioner was seriously wounded.

2 Panamanian Officers Allowed To Leave Embassy

PA2901180391 Panama City ACAN in Spanish 1648 GMT 29 Jan 91

[Text] Guatemala City, 29 Jan (ACAN-EFE)—A Guatemalan Foreign Ministry official announced today that the Panamanian Government will issue safe-conducts to the two Panamanian police officers who have taken asylum at the Guatemalan Embassy.

The source, who asked that his name not be released, said that Panamanian President Guillermo Endara told Guatemalan Ambassador Colonel Hector Rosales that safeconducts will be issued to Captain Jorge Bernal and Lieutenant Mario Ramos to allow them to leave Panama.

The Panamanian Government accuses the two officers of taking part in the 5 December police rebellion, that was quelled by U.S. troops. The two officers sought asylum in the Guatemalan Embassy on 18 January.

Three other Panamanian police officers, who took part in the rebellion and who sought refuge in the Guatemalan Embassy at the end of December, also received safe-conducts to leave Panama to Guatemala City. Both later traveled to Spain.

The Guatemalan diplomatic source gave assurances that, thanks to the increased trade and cultural exchange promoted by Ambassador Rosales, the relations between Guatemala and Panama are "excellent."

Honduras

Armed Forces Appointments, Transfers Announced

PA2901140391 Tegucigalpa LA TRIBUNA in Spanish 28 Jan 91 p 9

[Two communiques issued by the Armed Forces Public Relations Directorate in Tegucigalpa on 26 January]

[Text] The Public Relations Directorate of the Honduran Armed Forces announces the following to the national public:

The high command, making use of the attributions stipulated in the constitutive law of the Armed Forces, makes the following appointments and transfers of high-ranking officers as of this date:

Commander General of the Honduran Air Force: Aviation Colonel Hector Castro Cabus;

First Infantry Battalion Commander: Infantry Colonel Francisco Bustillo Murcia;

Commander of the First Armored Cavalry Regiment: Cavalry Colonel Rigoberto Padilla Bejarano;

Commander of the First Communications Battalion: Communications Colonel Angel Castillo Maradiaga;

Commander of the Army's Logistics Support Center (CALE): Infantry Commander Alvaro Reyes Lopez. Tegucigalpa, 26 January 1991
Public Relations Directorate
Honduran Armed Forces

Official Communique no. 04-91

The Public Relations Directorate of the Honduran Armed Forces announces the following:

1. Aviation Colonel Roberto Mendoza Garay has been appointed director of Population and Immigration Policy.

2. The rotations and appointments that have been announced have been authorized by the High Command and are aimed at improving military operations and activities. They should not alarm the population or worry the national media. Public Relations Directorate Honduran Armed Forces

Discua Emphasizes Army Support for Government

PA2901225491 Tegucigalpa Voz de Honduras Network in Spanish 1715 GMT 24 Jan 91

[News conference by General Luis Alonso Discua Elvir, Armed Forces commander in chief, with unidentified reporters in San Pedro Sula; date not given—recorded]

[Excerpts] [Discua] I want to tell you that the idea of not supporting the government has not entered my democratic mind and has not been contemplated by my spirit. I have said again and again that I support the government. The Armed Forces are faithful defenders and enforcers of the Constitution, so the idea of not backing the government should not even come to our minds. [passage omitted]

[Reporter] General Discua, Hondurans of Palestinian origin, particularly businessmen, are concerned over the possibility that terrorist actions could be attributed to them, when they have greatly contributed to the country's progress.

[Discua] This is part of the disinformation that has been taking place. I do not think that honorable people like those you have mentioned could be plotting terrorist actions. Other groups could be taking advantage of the situation.

[Reporter] How about the transfer of arms to guerrillas in other Central American countries?

[Discua] This is classified information, but we are investigating.

[Reporter] General Cantarero [former Armed Forces commander in chief] spoke of a kidnapping. Is this still a threat to the Honduran people?

[Discua] As I said, the national investigative agencies and military intelligence are always looking into these cases.

[Reporter] General, a human rights spokesman said this morning in Tegucigalpa that nothing has been done to clarify the deaths of Miguel Pavon, Landaverde, and General Gustavo Alvarez Martinez.

[Discua] Some cases are difficult to investigate. For example, the deaths of the Kennedy brothers have not yet been clarified, so it is not surprising we are also still investigating here.

[Reporter] CODEH [Honduran Human Rights Commission] has accused the Armed Forces of violating human rights. What can you tell us about this?

[Discua] As I said, there might have been isolated cases. The Armed Forces are a large institution. I think that some members might have committed some actions contrary to Armed Forces policy. Keep in mind that we are a very large institution, and sometimes it is difficult for us to keep an eye on, say, a particular soldier in a remote site in the country who might have acted on his own.

[Reporter] General, what about the Armed Forces sending arms-for-peace and forces to the Persian Gulf?

[Discua] No, no.

[Reporter] Will you continue to oppose any reforms of the anti-terrorism law, as has been reported?

[Discua] I have not had the opportunity to discuss this point with my working team made up of well-known lawyers, who will make a recommendation to me at the right time.

[Reporter] Gen. Cantarero was always complaining that reporters misinterpreted him. Do you have any such complaints?

[Discua] Not at all. I regard the journalists as my personal friends. I appreciate them very much.

Nicaragua

Central Bank Suspends Gold Cordoba Exchange

PA2901222091 Managua Radio Sandino in Spanish 1200 GMT 29 Jan 91

[Text] No dollars are being exchanged for gold cordobas at banks or foreign exchange houses. It is almost impossible to obtain gold cordobas or to exchange gold cordobas for dollars at banks within the financial system or at authorized foreign exchange houses.

Last week, the Central Bank decided to close the only window where the general public and importers could exchange gold cordobas and dollars, and it announced that the Real Estate Bank would be the only one authorized to carry out those transactions. On 25 January, however, the Central Bank ordered all Real Estate Bank branches to discontinue such operations.

It was also noticed yesterday that following instructions from the Central Bank, authorized foreign exchange houses are not accepting gold cordobas in exchange for dollars or selling gold cordobas.

Black marketers are purchasing gold cordobas at a rate of 4 million regular cordobas and selling them for 4.2 million. They are reluctant, however, to buy large amounts as they fear that the parity with the U.S. dollar could change.

Panama

Opposition Wins 6 of 9 Seats in 27 Jan Elections

PA2901155391 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jan 91 pp 1, 11

[James Aparicio report]

[Text] According to preliminary Electoral Tribunal results, the political opposition has won six of the nine legislative assembly seats in the 27 January elections. The partial elections were marked by a rate of absenteeism in excess of 50 percent.

The partial elections were held to complete the 7 May 1989 elections and to elect 9 legislators, 160 corregimiento representatives, and 10 councilmen.

The latest results obtained by LA ESTRELLA DE PANAMA awarded four legislative seats to the opposition PRD [Democratic Revolutionary Party]; one to the Liberal Party; one to the Labor Party; two to the co-ruling Nationalist Liberal Republican Movement (Molirena); and one to the Christian Democratic Party (PDC).

Vinicio Robinson (PRD) was declared the winner by the opposition in Circuit 1-2 (Bocas del Toro Province); Lalo Antonino (PRD) in Circuit 3-2 (Colon Province); Enrique Montezuma in 4-4 (Chiriqui Province); Andres Culiolis in 5-1 (Darien Province); Anel Ramirez PRD) in 5-2 (Darien Province); Alcibiades Garcia (PDC) in 9-3 (Veraguas Province); Mario Boyd (Molirena) in 2-2 (Cocle Province); and Olmenares Quijano (Molirena) in 10-2 (San Blas Intendency).

A PRD spokesman said that final results in Chiriqui Province are still not known, but in 80 percent of the ballot stations polled, Montezuma was ahead.

According to political and diplomatic observers, the government is the main loser. The government had hoped to win eight of the nine legislative seats, four of which would have gone to the PDC.

For PRD President Carlos Duque Jaen, the low turnout is evidence of the discontent over massive dismissals, the persecution against union leaders, the disloging of squatters, the burning of squatters' ranches, journalists' arrest, political imprisonments, and the "inhuman" measure of "firing public workers at the end of December."

Duque said that if the votes for circuits 2-2, 10-2, and 9-3 are added up, "opposition votes are a majority."

The Electoral Tribunal announced the proclamation of approximately 54 corregimiento representatives in Panama, Herrera, Los Santos, Veraguas, Chiriqui, and Cocle provinces, of which 21 belong to opposition parties, two are independent, and 31 belong to progovernment parties.

PDC Secretary General Ivan Romero told the press that according to his party's calculations, the PDC candidates for Circuit 9-3 and 4-4 won, which would increase their representation to 28 legislators.

The electoral results, the apathy, and the low voter turnout were received with concern in government circles, amid proposals of to "amend" government plans.

Deputy Mayor Manuel Burgos, an oustanding Civic Crusade leader, called for reflection because he believes that "every day we are farther away from the people."

Ruling Parties Defeated

PA2901164391 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jan 91 pp 1, A-4

[Editorial: "The Defeat of the Ruling Parties"]

[Text] Even though the 27 January elections were just partial elections, their sole purpose being to fill the vacant seats in the Legislative Assembly and the posts of corregimiento representatives, the results have been quite eloquent and there is no doubt that they represented an overwhelming defeat for the ruling parties. After the results of the elections were announced, an important political figure tried to downgrade the importance of what happened; this is stupid because it was precisely that political group that provided the largest sums of money for the short but intense campaign prior to the elections and the same group that had problems with the Electoral Tribunal magistrates.

Several things have become evident. During the May 1989 elections, most of the Panamanian people voted against Manuel Antonio Noriega and not for anyone in particular. Those who assumed power following the invasion and who were later sworn in on a U.S. military base then continued to use the name they gave themselves—Government of Reconstruction and National Reconciliation—and again made promises with the money they would be receiving in aid from the United States. Later, and practically in a public manner, the unavoidable with this type of coalition, followed. Fights, insults, demonstrations of incompetence in which one blames the other, and the locally and internationally questioned "firing" of government employees.

On Sunday, people who supported the PRD [Democratic Revolutionary Party], the PALA [Labor Party], or the Liberal Party (Popito's) [Rodolfo Chiari's faction of the Liberal Party] as well as many COLINA [National Liberation Coalition] supporters who in May 1989 lent their votes to the ADOC [Civic Democratic Opposition Alliance] proved that they continue to be faithful to their respective parties. Those who suffered the death, disappearance, or wounding of a family member during the invasion voted against the ruling parties, as did those who were arbitrarily fired, and their family members over 18 years of age; also those who believed in the false promises—the shower of dollars—and have seen nothing but hardship; those who feel persecuted for political reasons; and those who are waiting for genuine justice—which does not exactly translate into having the jails packed with former soldiers and government officials. Real justice means bringing these people to trial to determine whether they are innocent or guilty, the only real justice.

The government very quickly, even ignoring the pleas of the church and various organized groups, stopped using the word reconciliation, erroneously believing that its use could be interpreted as a sign of weakness and that it was best to continue entertaining the public with news about new arrests, investigations, denials of safeconducts that violate international laws. Now it has become evident that the people are tired. It has been more than a year since the current government took over and it is pointless to blame all evil on the "Noriega regime" or to say that the 21 years of dictatorship were no better. The government gained nothing from changing the airport's name from Torrijos to Tocumen. The people all know what was done during those years, just as they know what should have been done and what was not done.

The good thing about these elections for the government is that they were only partial elections. Now the government must stop and seriously study what happened. This is the government of all the Panamanian people and, depending on what it does, we can benefit or lose despite our political beliefs. The people want more seriousness and less stirring of the past as if doing this would solve the problems the country is facing. The common citizen can tell when the government speaks without suggesting solutions. Demagoguery, nepotism, and favoritism, are not things of the past; quite the contrary, this is a coalition that has many people to accommodate. When public statements are made, many blunders are made. No wonder Voltaire once said: "Very ignorant must be he who answers all the questions he is asked."

We still have a long way to go before the 1994 elections and the country cannot continue at its pace of the past year. Someone is going to have to do something about putting the house in some order and we believe it should be no one but the president of the republic. A coalition

has its political commitments, that is obvious. There must be, however, only one head of state who, without attempting to be absolute or arbitrary, will hold the reins of power and lead the others for the good of everyone. They have been taught a tough lesson and we hope they will analyze and make good of it.

'Appalling Defeat' Lamented

PA2901234591 Panama City Radio KW Continente in Spanish 1200 GMT 29 Jan 91

[Station commentary: "Facing Defiance and Defeat"]

[Text] The results of the recent elections are the most violent and shattering blow received by the nation and the people since 20 December 1989. Those results are also the summary of a process of unexplainable contradictions and political wear on the regime installed to replace the dictatorship.

The triumphant and defiant air with which the most notorious personalities of the narco-dictatorship, Carlos Duque and Balbina de Perinan, celebrated the triumph and seats won by the pro-Noriega candidates in the media, have hurt the national soul because it is no more than the painful explosion of the people's disappointment with a regime that has not been able to successfully respond to the nation's pro-civilian demands.

It is clear that for many, those elections did not have much significance because they lacked the force and vitality of the 7 May 1989 elections.

It is also clear that these elections would not have added anything of importance to the government process, but there is no doubt that, for a regime installed with most overwhelming support of the country's political history, those elections should have been the confirmation of its mandate as well as the guarantee of its success and its administration. Thus, the government should have achieved victory and not the appalling defeat suffered last Sunday.

These elections are the leaders' greatest reason for meditation and analysis. The adverse result is not only a challenge, but a rebuff for the current leaders' political and social prestige. Thus, it is no time to attempt avoiding blame and responsibility with euphemisms and metaphors, but instead, to impose the courageous and honest attitude of accepting the facts and making the adequate corrections to avoid suddenly finding ourselves on the return path to the turbulent times of the narco-dictatorship.

The ADO's [Democratic Opposition Alliance] civilian regime has lost too much time and opportunities on unimportant and childish confrontations, it has lost itself in unsubstantial and senseless contradictions, while the PRD forces, hidden by the leaders mistakes and lack of capacity, slowly and treacherously, out with intelligence, advance to deliver the fatal blow to this justice, liberty, and democracy that has cost us so much pain and blood.

The painful and cruel experience of the results of the recent elections not only deserves the superficial and humorous attention, the jokes and the funny comment, as we have just heard from the regime's high-ranking officials; but also a calm and serious analysis to define new paths and stances for the government's actions in order to again find the truth and reason for the struggle for democracy fought in the streets and towns throughout the country over 21 years of history and heroism.

Many times, the people deserve to go through hard experiences to find truth in self-analysis, but in the Panamanian people's case, we could never accept that they deserve this bitter drink and that they are responsible for what has happened because the people issued their mandate so that the elected candidates would direct the destiny of their nation.

It is these elected persons, these chosen ones, who are significantly and forcefully responsible for the painful result of the elections, as well as for the uncertain path that the country seems to traverse in facing the failure of democratic civilian rule's principles.

U.S. Said Concerned

PA2901232391 Panama City EL PERIODICO in Spanish 29 Jan 91 p 16

[Text] Panama—Throughout Monday, 28 January, U.S. Embassy personnel in charge of the embassy's political affairs section in Panama dedicated themselves to investigating the results of the elections held Sunday in some Panamanian electoral circuits and corregimientos.

The U.S. officials paid special attention to electoral circuits and corregimientos on the border with Costa Rica and in Darien Province, where election reports by the Electoral Tribunal were slow and a source of apprehension.

According to the Electoral Tribunal, it had invested thousands of dollars to improve the radio-telephone communications system in those areas, without result.

EL PERIODICO has established that the U.S. diplomats had to analyze election figures and percentages and an election results pie indicating how each party did.

Apparently the opposition's big margin of victory, together with the large absenteeism, are a main source of concern for U.S. experts in foretelling electoral behavior.

Although our sources did not go into details regarding the U.S. concern, it is believed that it is related to the drop in popularity of a government that was sworn in on a U.S. military base, and to the meaning of continuous demonstrations of popular unrest.

'Lesson' for Government

PA3001003191 Panama City EL PERIODICO in Spanish 29 Jan 91 p 1

[Editorial: "Elections Versus Chaos"]

[Text] No one doubts that the Panamanian voters have just given the national government a lesson through abstention that is unprecedented in the history of the Republic. We doubt, however, that the government has learned the lesson.

The Endara-Arias-Ford triumvirate has shown it is entirely incapable of convoking partial elections that only required the participation of some 190,000 Panamanians. This should lead, at least, to the provoking of a government crisis.

In less than 72 hours, the government has been able to determine that it completely lacks any popular support, and the internal gap, which was worsened by the democratic exercise that should have taken place on 27 January, has dramatically joined the terrible shadow of international isolation that is hovering over its head.

The government should call for new general elections or elections for a constituent assembly, as the only urgent and immediate solution for saving what is left of the nation. It would be unintelligent, to say the least, to lead as simpletons up to 1994 those who in the ranks of the opposition or the government have already given their verdict: Elections or chaos.

The government knows that it has never been, nor will it ever be, legitimate in the eyes of the people. The government knows that its alliance is only a name. It is no secret that Endara's Arnulfist Party and Ford's MOLIRENA [Nationalist Liberal Republican Movement] insist on "not a single green one" [reference to the Christian Democratic Party of First Vice President Ricardo Arias Calderon]. They had the responsibility of freeing us from the troops who cheered them and paved the way for them to reach the Presidency. They demonstrated, however, they are incapable of bringing democracy and reconciliation to the people, and the 27 January elections proved this.

The people have issued their ruling. They have said they are prepared and mature for truly democratic elections, without any U.S. intervention or the corruption of a recent past that belongs to this government. Passions have been set aside. In spite of the problems and fraud, the people are ready to cast their votes now with a cool head and a warm heart.

Endara Policies Blamed

PA3001014991 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Jan 91 pp 1, A-2

[Article by Doris Hubbard-Castillo]

[Text] Democratic Revolutionary Party [PRD] President Carlos Duque Jaen has said "absenteeism was a censure from a people who felt fooled by unkept electoral promises," when commenting on the 27 January partial elections.

What Endara gained from these elections are a consequence of his firing of public officials, arbitrary laws, and political persecution against the PRD, but mostly "it is because no government plan or economic project has been presented that has been properly prepared and consulted with the various sectors of the nation's life," Duque Jaen said.

"This government has not known how to take advantage of the opportunity it has had and it has not managed to find the way to answer the health, education, and work needs of the Panamanian people," the PRD leader added.

Duque added that the scarce capability of the Endara, Arias, and Ford triumvirate to respond to the people was because they were not prepared to govern and "continue to yearn for the opposition bastion," which is quite easily exploited.

"They continue to act as if they were in the opposition, because they never dreamed of being in the government," said the former presidential candidate of the National Liberation Coalition, Colina, in the 7 May 1989 elections that were later annulled due to alleged irregularities. The elections were later revalidated in January 1990.

On what the results of the partial elections signify for the PRD, Duque Jaen said that "we have always been optimistic about the results because we know the qualifications of our candidates, plus the fact that the elections were held in precincts in which the PRD had won in May 89."

He noted that if the candidates of the parties that composed COLINA had respected the coalition, they would have won in certain areas.

Regarding the future, Carlos Duque Jaen said that the "the PRD is still active, as was demonstrated in these elections, and will continue to be present in the country's political life, because its roots stem from a seed planted deeply by Omar Torrijos and which cannot disappear, even if the names of the airports are changed, because what Torrijos did for Panama can be seen in the hydroelectric plants, rural electrification projects, homes built, and many other projects that in are in the hearts of the Panamanian people."

The PRD will continue to be "open and democratic," Duque Jaen said, adding that "now we are in a reorganizational and restructuring stage. In the coming months we will elect a directorate to submit reforms to the party principles and working plan, which will finally be presented during the party's national congress."

"We must admit that we have made mistakes, which is an essential part of the reorganization of the new PRD,"

Duque Jaen stated. He said that "we believe in the future of this country and our party and are going to become a strong opposition cemented on the reality of our people."

Election Fraud Charged

PA2901234391 Panama City EL PERIODICO in Spanish 29 Jan 91 p 2

[Text] The Panamanian opposition has charged that the pro-government parties prepared an electoral fraud in Chiriqui Province's 4-4 Circuit against Enrique Montezuma, candidate for legislator of the opposition Democratic Revolutionary Party, and to achieve that goal they sabotaged communications between this remote area, located in the Tabasara Mountain Range, and the Electoral Tribunal [TEP] headquarters.

Our source said that the communications infrastructure via radio-telephone arranged by the TEP was not efficient, and that despite the guarantees given by this agency to dispel any doubt about the 27 January elections, the reality has been different.

Almost 72 hours after the polls closed, however, there was no urgency in reporting the results for Circuit 4-4, and suspicions rose when only partial results and mathematical computations [as published] were announced. As we went to press, it was reported that in El Guabo Brook, Tabasara, Christian Democratic Party [PDC] members surrounded the polling place where the votes were being counted and did not let opposition candidates find out what was happening. Early Monday morning the PDC claimed victory.

Opposition sources in the Atlapa Convention Center said the delay in the results came about because the PDC has 27 seats in the National Legislative Assembly, the same as the other parties of the pro-government alliance, and in order to tip the balance in its favor Montezuma has to be defeated at any cost.

"I realize there may be concerns, but I hope it does not go beyond that," TEP President Guillermo Marquez stated, he could not explain, however, the causes for the delay in the official tally for the contested 4-4 Circuit.

Moreover, the cancellation of the results from two polling places in Puero Mountain that gave a wide margin to the PRD was announced and the figures in some tally sheets do not add up. The opposition won at least five electoral circuits and over 70 percent of the corregimiento representatives all over the country. According to foreign observers, these results indicate a rejection of the government and the invasion by the U.S. Army.

Government, Rio Group Differ on Refugees' Status

PA2901082391 Panama City Circuito RPC Television in Spanish 2300 GMT 28 Jan 91

[Text] The Group of Rio meeting in Caracas has asked the Panamanian Government to comply with the guidelines on diplomatic asylum contained in the international Caracas Convention, which Panama signed. Venezuelan Foreign Minister Reinaldo Figueredo said today during a news conference that the Group of Rio's 11 Latin American countries received with deep concern a report by the special mission that visited Panama a few days ago.

The Panamanian Government reiterated on several occasions that the asylum seekers in many of the country's embassies are not political refugees but common criminals who must stand trial. That is why it disagrees with the Group of Rio's Stance.

Rio Group Said To 'Soon' Withdraw Ambassadors

PA2901002991 Panama City EL PERIODICO in Spanish 28 Jan 91 p 1

[Text] The Group of Rio will soon take diplomatic action against Panama by withdrawing the ambassadors accredited in this capital. This was confirmed to EL PERIODICO by a diplomatic source who deplored President Endara's lack of tact and what he described as "harsh diplomatic treatment"—when the president described Mexico's action as blackmail, and when he accused the Group of Rio of "having preferred dictatorship to democracy."

The Group of Rio acts by consensus and only makes this kind of decision when all the members agree. According to the source, since Panama established the nefarious precedent of refusing to grant safe-conducts to several politicians who have sought asylum in different embassies accredited to our country, the Group of Eight will implement a Latin American institution called right to asylum.

The Group of Rio, comprised of Peru, Mexico, Venezuela, Colombia, Argentina, Uruguay, Brazil, Chile, Ecuador, and Bolivia, came to Panama to assess our "democracy" and, among other things, to claim the right to asylum and to demand safe-conducts for those who sought asylum—some more than a year ago—but who have not been allowed to leave the country.

Some of the PRD [Democratic Revolutionary Party] leaders, explained the country's political situation to the visitors, and presented additional information about the people who had sought asylum—even presenting evidence of their innocence, which challenges their labels as common criminals, as it has been officially claimed.

The PRD leaders also suggested using Venezuelan President Carlos Andres Perez as a liaison to pave the way with Panama and minimize the consequences of a strict isolation, adding that it was essential to talk with the

United States because its government exerts control on the Panamanian Government's actions, particularly those concerning its foreign policy.

Nevertheless, analysts of Panama's case have said that Panama's illogical international policies are sponsored by the United States, which seeks the world's endorsement and the subsequent "understanding" of the continent for the justifications it will use whenever it decides to get rid of the ruling triumvirate.

Bomb Threat at Foreign Ministry Reported

PA2901234891 Panama City ACAN in Spanish 2231 GMT 29 Jan 91

[Text] Panama City, 29 Jan (ACAN-EFE)—Panamanian Foreign ministry employees, including Foreign Minister Julio Linares, had to evacuate their offices after receiving a bomb threat, which turned out to be false, over the telephone.

Members of the national police, experts in the detection of explosives, and firemen searched the entire building without finding a single explosive device.

The foreign minister told the media that "no threat should be underestimated" when commenting on the anonymous phone call that announced the existence of a bomb at around 1600 (2100 GMT).

In the last few months, several bomb threats have been received at public buildings, such as the one that forced the evacuation of the legislative assembly last March.

Bank Manager Claims Gulf War Could Aid Economy

PA2601221491 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Jan 91 pp a-1,a-2

[Article by Hermes Sucre Serrano]

[Text] Luis H. Moreno, general manager of the Banco Nacional de Panama (BNP), has said that should the war in the Persian Gulf continue, this will change international trade to a certain extent, and these changes could benefit Panama. Moreno noted that Panamanians will have to be more creative and productive in order to be able to substitute imports.

Moreno said that Panama annually imports more than 130 million balboas worth of food products. Aside from representing a considerable flight of foreign exchange, this also reflects a high degree of underutilization of agricultural resources.

In case of a prolonged war, the international community will tend to retain its production for its own supply and will suspend exports towards small countries like Panama. This, according to the BNP manager, will force Panama to stimulate the primary sector in order to guarantee the local supply of goods.

Moreno reported that every year millions of balboas worth of items such as milk, corn, pork by-products, and so forth are being imported. Therefore, it is essential that we soon undertake a joint effort including private and state banks and farmers to devise more efficient measures aimed towards substituting these items.

According to the BNP manager, Panamanian producers must be more efficient in order to compete in the international market. He also added that "we, at the BNP, are willing to support the primary sector because we are confident of its potential."

Mr. Moreno also said the agricultural industry is being stimulated with financial assistance, and through the bank's agricultural related work programs, a close communication with farmers is being established. The objective of this program is to motivate farmers into thinking about development of the primary sector as a source of wealth and well-being for all Panamanians.

Argentina

Government Demands Iraq Comply With Resolutions

PY3001114891 Buenos Aires TELAM in Spanish 1110 GMT 30 Jan 91

[Text] Buenos Aires, 30 Jan (TELAM)—The Argentine Foreign Ministry has reiterated that the Iraqi Government must immediately comply with UN Security Council Resolution No. 660 which demands the withdrawal of its troops from Kuwait.

Through the daily communique that it has issued since the outbreak of war in the Persian Gulf, the Foreign Ministry also states that a Hercules C-130 aircraft of the Argentine Air Force will, in the next few hours, evacuate a group of Argentine citizens and other nationalities who are in Israel and who have voiced their desire to leave the region.

The communique also states that Iraq must comply with the terms of the 1949 Geneva Convention regarding the treatment given to prisoners of war.

The Foreign Ministry, in the communique disclosed yesterday, states that any violation of its terms represents a serious violation of international law on the behavior of countries in times of war.

Moreover it states that M'Hamed Essaafi, the UN Disaster Relief Organization (UNDRO) coordinator, has voiced his gratitude for the immediate response by the Argentine Government in cooperating with the assistance program for the Gulf area by sending a cargo Boeing 707 to the city of Pisa within a few days.

The communique adds that the UNDRO coordinator said that in view of the interruption of commercial flights to the area, the Argentine Government's contribution was highly appreciated since the UNDRO is encountering serious difficulties in transporting vital humanitarian assistance to the area in conflict.

The communique ends by quoting M'Hamed Essaafi who said that plans are currently being made for an Argentine Air Force Boeing 707 to visit some countries in the Persian Gulf and Middle East region.

Communique Issued Concerning Cabinet Appointments

Three Ministries Reassigned

PY3001002291 Buenos Aires TELAM in Spanish 2119 GMT 29 Jan 91

[Text] Buenos Aires, 29 Jan (TELAM)—This afternoon at the door of the Olivos residence, presidential spokesman Humberto Toledo read an official communique announcing a reshuffling of the national cabinet. Here is the text of the communique:

President Carlos Menem has decided to reassign functions within the national cabinet in light of the resignations submitted by the members of the economic team yesterday.

Defense Minister Guido di Tella has been appointed minister of foreign relations and worship.

Antonio Erman Gonzalez has been appointed defense minister.

Domingo Cavallo has been appointed economy minister.

Minister Gonzalez will leave for Switzerland today to attend an international economic seminar and to sign an agreement with the Swiss Government on investment promotion and guarantees.

Additionally, in order to strengthen the mechanisms of ministerial coordination, the president has appointed Victorio Orsi as planning secretary. The functions of this secretariat will be redefined.

The reassignment of functions ordered by the president entails the continuity of the sectors represented in the national cabinet and of the overall policy implemented by President Menem, especially the economic policy.

Gonzalez Reportedly Refuses Post

PY2901173891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1725 GMT 29 Jan 91

[Text] Buenos Aires, 29 Jan (NA)—Outgoing Economy Minister Antonio Erman Gonzalez has rejected an offer made to him by President Carlos Menem to become the defense minister replacing Guido di Tella who, according to rumors, will become the new foreign minister.

Members of the Gonzalez' economic team confirmed this afternoon that Menem had offered him the post of defense minister, but said the former economy minister flatly refused the post.

Cabinet Reshuffle Examined

PY3001120491 Madrid EFE in English 0908 GMT 30 Jan 91

[Text] Buenos Aires, 30 Jan (EFE)—A three-cornered cabinet reshuffle was seen by Argentine financial analysts Wednesday as President Carlos Menem's solution to the credibility crisis that has been dragging down his government's economic reform program.

Under the switch announced late Tuesday, Foreign Minister Domingo Cavallo is to become Economy Minister, Economy Minister Antonio Erman Gonzalez was sent to head the Defense Ministry, and Defense Minister Guido Di Tella becomes Foreign Minister.

Observers said the reshuffle—coming two weeks after the last cabinet shake-up—was a result of the economic shockwave caused by Monday's sharp rise in the selling price of the U.S. dollar.

The move prompted Gonzalez's immediate resignation and growing unease over the state of the economy. On Tuesday, the price of meat in Buenos Aires shot up by some 30 per cent, in approximate parity with the dollar's surge in exchange value.

Speaking to reporters, Gonzalez's successor, Cavallo, said Tuesday he would continue the "popular market economy" policy the government has been following since Menem took office in July 1989.

The government, he said, would continue to intervene in the "free" exchange market to prevent the austral plummeting even further.

The Central Bank was forced to step in Monday by selling $45 million of its reserves in a bid to halt the surge of the U.S. currency on the Buenos Aires market.

Cavallo said he had offered the presidency of the Central Bank to another former economy minister, Roberto Alemann, who has not yet decided whether he will take the post.

Financial markets were allowed to reopen Wednesday after remaining closed all day Tuesday. The government had originally ordered a two-day shutdown.

Cavallo will not officially take over the post until Gonzalez returns from a trip to Switzerland which is due to begin Wednesday.

The plunge in the austral's value was triggered by what the analysts say is concern over a growing recession in industry, falling exports, and declining Treasury revenue due to continuing high levels of tax evasion.

Statement Issued by Economy Minister Cavallo

PY3001020891 Buenos Aires Argentina Televisora Color Network in Spanish 2312 GMT 29 Jan 91

[Statement by Economy Minister Domingo Cavallo at a news conference in the Economy Ministry—live; monitored in progress]

[Text] ...We will intensify these reforms to progress with the same firmness and the highest possible speed. We want to simplify Argentine norms in all these subjects as much as possible so the rules will be as simple and as clear as possible, and they will be implemented automatically so economy officials' discretionary powers will be reduced. We want to make progress in what Antonio Erman Gonzalez clearly defined in his 18 December 1989 speech—that is, in restructuring a true popular market economy, an economy in which the private sector plays the main role and the government simply defines the game rules in a clear, stable, simple, and open manner.

As Antonio Erman Gonzalez repeatedly said: This is the real way of fighting the worst thing facing our economy and society—corruption. We must eradicate corruption. To do so we must progress in the simplification, automation, and openness of all our procedures, reducing the discretionary power of each one of us so that government officials cannot decide on the luck of the business class, the citizenry, or the private sector. This is the best way to fight corruption. I will gradually discuss all of these subjects in the future, as was Erman Gonzalez' custom. I will speak as I deal with the specific economic proposals, which will follow the same direction they presently follow.

Now I simply want to tell you that all markets will start operating normally tomorrow. This means the financial and exchange markets will operate freely tomorrow. We will maintain the rules that were valid yesterday when the markets closed. There is only one detail that will change: The form and rules through which the Central Bank intervenes in the exchange market will be announced beforehand so all operators will know them. This means the only difference is that operators do not need to wait for the Central Bank's concrete intervention to know how or under what terms and conditions it will intervene. The operators will not need to wait because I will tell them beforehand. The Central Bank's rules for intervention in the exchange market will be maintained until we announce any change ahead of time.

The objective of this measure is to gradually reduce exchange uncertainty. Exchange uncertainty is due to the fact that we have not yet attained fiscal discipline. To eliminate exchange uncertainty, we must make progress in the same direction in which Erman Gonzalez has been working—that is, in structural reforms to reduce and eliminate the fiscal imbalance.

As we progress in the fiscal field, we also want to reduce exchange uncertainty. Therefore, when the markets open tomorrow, the Central Bank will buy dollars if the dollar price is lower than 8,000 australes and it will sell dollars if the dollar price is higher than 10,000 australes. This means the market will work without Central Bank intervention, except in the event it is forced to buy dollars to maintain the dollar price at 8,000 australes and prevent the price from dropping, or to sell dollars to prevent the price from going over 10,000 australes.

These two figures are not arbitrary; 8,000 australes is the exchange rate we could give the austral if we were willing to use all our net reserves, including our gold reserves, and 10,000 australes is the rate we could give the austral if we wished to use only our net reserves. Therefore the Central Bank intervention rules are totally backed by the leeway its reserves grant it. I want to stress that this is good leeway thanks to Erman Gonzalez' clear monetary, fiscal, and exchange administration. That is why there is no risk of a lack of control in the exchange market. We are not in the same situation Erman Gonzalez inherited when he took over the Economy Ministry at the end of December 1989.

I do not mean to imply that our challenge is easy. The truth is that all structural reforms of the Argentine

economy that must be undertaken by this ministry, the Defense Ministry, and each ministry of the national and provincial governments are enormous. It is a great responsibility, but we will firmly carry them out.

The markets must work with total calmness. When we are sure the fiscal situation is absolutely under control as a result of the structural reforms, we will reduce the gap between the ceiling and base for the exchange rate.

We are going to move toward a system of full convertibility without conversion uncertainty. This will obviously facilitate the struggle against inflation and will allow more fluid, safe foreign trade with less uncertainty.

But we are not going to try to artificially reduce uncertainty. We will reduce it as we make progress in solving essential issues, such as reaching a fiscal balance, a budget balance. Let me reiterate that we will achieve this with clear, simple, and stable rules that are automatically implemented without the discretionary powers of government officials. This will prevent waste, it will help achieve true austerity, and it will allow the state to concentrate on the issues that it is responsible for, putting aside the issues that can be handled by the private sector. It will also help definitively eradicate corruption.

We are firmly engaged in this task and we are going to work together—the entire government, the cabinet, and especially a mini-cabinet that will be made up of the defense, foreign relations, labor, and economy ministers. Our task will be to attract capital and to encourage the country's growth around the privatization program through investment opportunities so as to open the integration process with neighboring countries and with the world by exploiting our country's valuable natural and human resources.

This is our program. It is not new. This is what we have been doing, but we are going to renew our efforts and enthusiasm as well as the cooperation among the ministries to carry it out. This mini-cabinet will be coordinated by the new planning secretary who will soon take over his job. He is a well-known businessman who knows Argentina and the world. He is Engineer Victorio Orsi.

We also hope that we will be able to have the valuable support of Roberto Alemann in this task if he agrees to become the Central Bank president. He asked for a few days in which to give an answer. We want the Central Bank to operate with full autonomy and total independence, as banks operate in the countries that are really committed to the stability of their currency and the stability of prices. This is why we have insisted that Congress approve the rule giving total independence to the Central Bank. President Carlos Menem has offered the job to Roberto Alemann and I hope he will accept. Since Javier Gonzalez Fraga [former Central Bank first vice president] insisted on his resignation, the government has appointed Felipe Murolo as Central Bank vice president, but he will be acting as the bank's interim president.

I would like to tell you something with complete frankness and sincerity, and I make a commitment to fulfill the promise. Nobody is going to be taken by surprise by any unannounced or unexpected measure that affects the income or wealth of some to the detriment of others. There is no reason for us to implement measures of that nature. In the past, when we were on the brink of hyperinflation or a catastrophic situation, we implemented measures that none of us really enjoyed implementing but which, at that time, we considered inevitable.

Fortunately, we definitely do not need to implement measures of that nature now. This is why all Argentines can rest assured that their savings (in whatever form they have them), their work, and their efforts will be fully preserved and protected by the national government and all its organizations. Therefore, the only thing they can expect is an improvement of the basic measures and a simplification and clearness of the rules, and that our producers and investors will encounter rules that will allow them to compete with neighboring countries with which we are integrating, and with the world, in order for Argentina to take complete advantage of not only its natural resources but also its valuable human resources.

We are going to do that with an essential commitment to stability in every sense of the word: stability of our currency and prices, stability of the regulations, stability of the economic and political institutions, and stability of foreign policy; in other words, the stability of our entire government program. This is what I can tell you tonight, and of course we will keep in touch so you can help us pass information to all our countrymen.

Cavallo Views Need To Discuss Regional Security

PY2901140691 Buenos Aires TELAM in Spanish 0955 GMT 29 Jan 91

[Report by special correspondent]

[Text] Caracas, 29 Jan (TELAM)—Argentine Foreign Minister Domingo Cavallo said today that subjects related to regional security must be included in the Rio Group agenda. Cavallo made this statement after admitting that the Inter-American Reciprocal Assistance Treaty (TIAR) had failed during the war over the Malvinas.

Cavallo talked to TELAM following the meeting of the foreign ministers of the Rio Group—the Latin American consultative body—in this city yesterday. He said that Latin America must plan how it will tackle the problems of regional security in the future and the role it will play within the international security system which, in view of the current events in the Persian Gulf, will be based on the principles of the UN Charter.

Cavallo added: Latin American countries have hardly ever raised this subject, generally because they maintain the concept of a national armed forces that hardly ever communicates with other armed forces, of the region or

of the rest of the world, on the hypothetical eventuality of a war in the Latin American continent.

Cavallo admitted that the continental security system entered a crisis when the TIAR proved ineffective during the war over the Malvinas, adding: Since then the subject has not been raised in the region. It is satisfying that talks on the subject were resumed during today's meeting.

Cavallo also referred to Iraqi President Saddam Husayn's attacks on Israel, stating that Husayn does not respect any kind of law, norm, or restriction.

Regarding the "Rio Group", Cavallo said that its objective is to turn Latin America into an economic bloc and, hopefully, into a security bloc because the world is currently negotiating new game rules for a future world order based on great blocs. He cited Europe, the United States, and Japan as examples of blocs that have been formed to represent their interests before the world.

According to Cavallo, the meeting of the Rio Group will be marked by a greater pragmatism, shorter speeches, and a greater frankness and mutual respect among its members. During the meeting a consensus will soon be reached due to the willingness to listen to each other's opinions and to reason together. The minister ended by stating that he thought a significant change is taking place due to the democratic nature of the countries and to a new realistic point of view.

Cavallo noted that the document issued by the foreign ministers of the Rio Group is a functional expression of support to the UN Security Council resolution.

Bolivia

Labor Federation Rejects War, Supports Iraq

PY2901145491 La Paz EL DIARIO in Spanish 16 Jan 91 p 4

[Text] The Bolivian Labor Federation, COB, has sent two telex messages, one to the Iraqi Government and the other to the United Nations expressing its total rejection of the war and its support for the Iraqi cause. The telex sent to the Iraqi Government says: "The Bolivian Labor Federation, COB, on behalf of the Bolivian workers and people, expresses its complete solidarity with the Iraqi people for their firm position of rejecting the intervention by the U.S. and allied forces in the Persian Gulf."

The document also strongly condemns the U.S. Government which, in its desire to maintain its control over the world economy, does not care about sacrificing millions of lives, not just from the Arab countries but from the entire world, and about taking humanity to the brink of a holocaust of unpredictable magnitude.

The message sent to the Iraqi Government concludes by saying: "In view of this situation, we demand from the parties in conflict a negotiated solution that will guarantee peace in the world."

The telex to the United Nations says: "The Bolivian Labor Federation, on behalf of the Bolivian workers and people, expresses its real concern in view of the worsening conflict in the Middle East and over the intransigent positions of the parties in conflict."

The document states that if this situation continues, the whole of humanity faces serious risk of being dragged into a holocaust of unpredictable magnitude. The COB demands, from the parties in conflict and from the United Nations, a greater effort in the search for a negotiated solution that would guarantee peace in the world.

The telex to the United Nations concludes by saying: "We demand the lifting of the economic and commercial blockade imposed on the Iraqi people because it creates hunger and death among Iraqi women, children, and the aged."

Declares Itself 'At War' With U.S.

PY3001011091 La Paz PRESENCIA in Spanish 17 Jan 91 p 6

[Text] Shortly after the news that war has broken out in the Persian Gulf was reported in La Paz, the Bolivian Labor Federation (COB) declared the labor movement at war with the United States, thereby turning Bolivia into "a bastion of the anti-American struggle."

In recent days, the COB and political parties created a "committee of solidarity with the Iraqi people and against the warmongering Bush administration." This committee initially called for a street demonstration in front of the U.S. Embassy in La Paz.

Filemon Escobar, COB adviser and United Left deputy, said that from the time the United States launched a military attack on Iraq to force its withdrawal from Kuwait, "the COB declared a tireless anti-American struggle in the form of an anti-imperialist war by the labor movement."

Escobar said the labor organizations' protests will be aimed at consolidating in Bolivia "an anti-American bastion" of the Third World countries where the effects of the Persian Gulf war will be felt most acutely.

With a tone of concern, Escobar noted that "imports will be more expensive and exports will go to pot," adding that "the United States will thus try to recoup the economic cost of the war."

Victor Lopez, COB executive secretary, protested the outbreak of war in the Middle East through which the United States is seeking "to consolidate its economic dominion by controlling the world oil production."

He strongly criticized the UN Security Council resolution that "gave the green light" for the military conflict in response to "direct pressure from U.S. interests."

In line with Victor Lopez' opinion, Deputy Escobar affirmed that "the United Nations will spin into a crisis

because, while it approves the initiation of wars by the Americans, it does not condemn the Americans when they invade poor countries."

MIR Splinter Factions Form Single Movement

PY2901165091 La Paz PRESENCIA in Spanish 16 Jan 91 p 7

[Excerpt] Yesterday, 10 years after the murder of eight Movement of the Revolutionary Left (MIR) leaders, two MIR splinter groups that had left the party decided to join forces and form a single movement. Antonio Aranibar of the Free Bolivia Movement (MBL), Walter Delgadillo of the MIR-Masses, and a group of independents attended the ceremony.

The group staged a march to the General Cemetery to lay a wreath on the tomb of the eight MIR leaders who were murdered during the dictatorship of former military ruler Luis Garcia Meza. The leaders of the two groups expressed their decision to create a popular alternative with which to confront the current government neoliberal model. [passage omitted]

* 1991 Seen as Year of Government-Labor Conflict

91SM0162A La Paz EL DIARIO in Spanish 3 Jan 91 p 6

[Text] The year 1991 will be a year of conflict between the workers and the administration, some observers of national events have emphasized to EL DIARIO, predicting that higher fuel prices will give rise to the difficulties.

Deputy Tito Hoz de Vila caused an uproar recently among national officials, in particular the minister of energy and hydrocarbons, Angel Zanier, by announcing publicly that energy prices will rise between 30 and 40 percent. The Bolivian Labor Federation (COB) reacted by denouncing the increase, which it described as "disproportionate."

According to the political observers consulted, the recent statements by several labor leaders, especially from the COB, underscored that an increase in fossil-fuel prices would require an automatic and equal rise in wages and salaries, which is something that the administration is not in a position to grant.

Although administration officials are maintaining total secrecy about the percentage of the fuel price hike, the Executive Branch is known to want a 30 to 40 percent boost, which in the view of the country's main labor organization, the COB, will severely affect the prices of the basic items in the basic food basket. While the workers are calling for a wage hike of more than the 20 percent that the administration has announced, the Executive Branch, through the Ministry of Labor and Development, has indicated that it will pursue its policy of "dialogue and consensus-building" with all segments of society in 1991 and ensuing years. Responding to this view, COB leader Ruffo Rivera indicated that during the early months of this year the workers would take to the streets to engage in all known methods of struggle until the administration accepts the proposals of the workers and the Bolivian people.

Tomorrow, Friday, in fact, the National Executive Committee (CEN) of the COB will meet to decide what strategy to pursue during the negotiations that, it has been confirmed, will be held with administration authorities sometime in the next few days.

Last December the labor federation submitted to the administration its Single National List of Demands, in which it calls for a wage and salary hike consistent with the prices of basic items in the basic food basket, whose cost the COB says has now risen to 1,200 bolivianos. The Executive Branch had announced an increase of between 15 and 20 percent, which does not meet the workers' expectations. The negotiations are thus expected to be tough and tense, analysts indicated.

Opposition to Privatization Policy

Separately, various labor groups, especially the Trade Union Federation of Bolivian Mineworkers (FSTMB), indicated that under no circumstances would they allow strategic sectors of the domestic economy to be privatized, indicating that mine- and oil workers will form the vanguard opposing the selling off of the country's natural resources.

The year 1990 was marked by the tenacious opposition of mine- and oil workers to the development of these natural resources by foreign companies under joint ventures. Their arguments cited national sovereignty and the protection of jobs. This development forced the administration to announce that the privatization plan would continue this year in spite of the opposition from labor groups.

The COB announced recently that it would establish itself as a front that will prevent the privatization of around 140 state-run enterprises, the mining deposits of COMIBOL [Mining Corporation of Bolivia] being the most "sought after" by the joint ventures.

In this regard, mineworkers leader Victor Baldiviezo indicated that the FSTMB would conduct "subversive" resistance to the privatization plan, although he said that this did not mean an armed uprising, terrorism, sedition, or breaches of the peace.

Mining may become the most troubled sector. In paid announcements that it placed recently in the national press, COMIBOL called for national and international public bids for the development of the Huanuni, San Jose, Chocaya, Tasna, Tatasi, Catavi, and Caracoles mining centers under joint-venture operations.

Indicating that several institutions will be calling for their demands to be met, observers agreed that 1991 would be a problem-filled year, especially when we bear

in mind that finance officials have stated that the boliviano is lagging behind the dollar and that therefore it must be brought in line.

* 1990 Macroeconomic Results Viewed Modest

91SM0162C La Paz HOY in Spanish 4 Jan 91 p 6

[Text] The government posted modest macroeconomic results in 1990, as there is a large gap between the indicators and the forecasts announced at the start of the year, said economist Juan Antonio Morales yesterday.

The only bright spot in the economic panorama is exports of nontraditional goods, which grew very strongly and show prospects of doing likewise in the years to come, he stated.

The economist criticized the government for comparing our macroeconomic indicators with those of other countries, because each nation is unique and its conditions are different from Bolivia's.

The ministers of the economic sector tried hard to explain at their press conferences that the other countries are being harder hit by inflation and are not growing as fast as Bolivia.

The final report on inflation indicates that the consumer price index rose 18 percent, compared to the 12 percent that the government had forecast, he said.

In October 1989 the government actually pledged to hold inflation to nine percent. It later raised this to 12 percent, but as of 31 December inflation stood at 18 percent.

Juan Antonio Morales said that net international reserves are up because the government did not carry out many public-investment projects, nor did it disburse funding to the private sector.

The indicators show net reserves of $188 million. Bolivia's commitment to the International Monetary Fund was just $89 million. Gross reserves stand at more than $400 million, while available reserves amount to $300 million.

As for growth, the economist said that it was modest, just 2.6 percent, lower than the four percent forecast in the economic program.

He added that this growth rate was lower than in even 1988 and 1989. Thus, it is improper to make comparisons with what is going on in the other countries of the region, whose economies are different, he indicated.

He also stated that the shocks caused by the Persian Gulf crisis, which boosted oil prices, helped Bolivia to the tune of at least $30 million.

He explained that in spite of the displays of displeasure, the repercussions of the Middle East crisis are enabling Bolivia to boost its revenues from exports of natural gas to Argentina.

* Industry Minister Defines Program Priorities

91SM0162B La Paz HOY in Spanish 4 Jan 90 p 8

[Text] During his first meeting of the year with President Jaime Paz Zamora, Industry Minister Guido Cespedes proposed a plan comprising three programs to promote production, foreign trade, and tourism in 1991.

The minister of industry, commerce, and tourism reported that the following programs would be given priority this year: "Bolivia's Strength Lies in Your Hands," under which the ministry and other government agencies will promote production, strengthen small industry and handicrafts, and create jobs.

The second program is entitled "Bolivia Is Worth a Fortune," which is designed to promote and diversify nontraditional exports of small industry, handicrafts, and commercial agro-industry through the country's embassies and consulates overseas.

The third program, called "Bolivia, the Clearest Skies in the Americas," will encourage more foreign tourists to visit the country.

Each of the programs will have many subprograms, and the industry minister has urged officials under him to devote their every effort to achieving the goals that have been set.

FUNDES Loans

Moreover, he reported that the chief of state and he signed three supreme resolutions authorizing FUNDES [Foundation for Socioeconomic Development] to operate in La Paz, Cochabamba, and Santa Cruz.

FUNDES is a private loan-guarantee agency with domestic and foreign capital; its purpose is to guarantee commercial-bank loans to small industrialists, handicraftsmen, and agro-industrialists, thus enabling new job opportunities to be created.

Small business accounts for 98 percent of the country's manufacturing machine, with more than 250,000 units. "This government measure is a very firm step forward in the task of democratizing the economy," Minister Cespedes added in conclusion.

* PDA To Promote Nontraditional Products

91SM0162D La Paz PRESENCIA in Spanish 3 Jan 91 p 4

[Text] (ANF)—This year the Ministry of Agriculture, Campesino Affairs, and Livestock Affairs will carry out programs to promote the production of nontraditional goods such as rabbit pelts, chestnuts, flowers, and cochineal [type of red dye].

The ministry indicated that the agricultural and livestock development project (PDA) has roughly $6 million

in financial backing, which is being negotiated with the World Bank. The bank has reportedly approved the project in its entirety.

The ministry explained that the PDA is designed to develop a series of programs to expand the production of chestnuts ($1.2 million), rabbit pelts ($1.8 million), cochineal ($0.54 million), and flowers ($3.7 million), all of them to be financed by the World Bank.

Moreover, the ministry plans this year to develop the livestock industry in Beni and Pando in a bid to resolve the industry's problems, under a plan totaling an estimated $44.5 million, $35.8 million of which consists of loans to be requested from the Inter-American Development Bank.

It will also execute a program, costing $27.4 million, to support farm and hog production in the departments of Tarija, Santa Cruz, and Chuquisaca.

In conclusion, the national program for the substitution of wheat imports performed well in 1990, as 30,219 hectares were planted. Thus, this goal will continue to be pursued in 1991 so that we can gradually reduce imports of this item.

* Trade Prospects With USSR Discussed

91SM0162E Cochabamba LOS TIEMPOS in Spanish 3 Jan 91 p A-9

[Text] La Paz, 2 Jan (LOS TIEMPOS)—There are encouraging prospects that trade between Bolivia and the Soviet Union will further intensify and that our country will be in a position to export large amounts of various goods this year to bring in more foreign exchange and bolster overseas trade.

The announcement was made by the commercial attache of the Soviet Embassy, Victor Aldukhov. He also stated that in 1990 trade between the two countries was not very heavy, totaling just $3 million. He indicated, however, that during almost 20 years of trade between the USSR and Bolivia the balance is about $150 million in Bolivia's favor.

Further on, he announced that his government is looking into the possibility of purchasing a variety of items this year. Among them he mentioned: nontraditional goods, coffee, alpaca and sheep wool, cigarettes, alcohol, meat, canned foods, fruits, and others in which his country is interested. He added that this would amount to about $20 million initially.

He asserted that government-to-government talks would begin in an effort to pursue a trade policy between the USSR and Bolivia that achieves optimal benefits for both countries, inasmuch as the USSR is interested in purchasing Bolivian goods that are popular on other international markets.

Brazil

Minister Says Iran Will Remain Neutral in War

PY2901155091 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 29 Jan 91

[Text] Today in Rio de Janeiro, Iranian Mines and Metals Minister Mohammad Mahlujchi said that Iran's position in the Persian Gulf war is neutral.

The Iranian minister arrived in Brazil today to discuss business.

Minister Mahlujchi had problems when he arrived in Rio de Janeiro. His luggage disappeared at the airport and his advisers had to wait for information on its whereabouts for about two hours.

Minister Mahlujchi said that Iran wants a withdrawal of the Iraqi troops from Kuwait and the allied troops from the region. He also said that Iran condemns Iraq's invasion but that his country believes that the problem must be solved by the Persian Gulf region countries.

The Iranian minister asserted that Iran will continue to maintain its neutral position regarding this war.

Tonight Minister Mahlujchi will have dinner with Brazilian businessmen. Tomorrow morning he will travel to Brasilia where he will meet with President Fernando Collor. On this occasion commercial agreements between the two countries will be signed.

Military Chief Says Terrorist Acts 'Unlikely'

PY2801152391 Rio de Janeiro O GLOBO in Portuguese 27 Jan 91 p 53

[Excerpt] Brasilia—General Jonas de Morais Correa Neto, chief of the Armed Forces staff (EMFA), has stressed that Brazil will not send troops to the Persian Gulf, adding that this decision has already been made. He also noted that there is no reason to fear terrorist attacks in the country because of the conflict in the Middle East. He said that despite our government's unconditional support for the UN Security Council resolutions, the war has not yet affected Brazil except for fuel rationing. Gen. Correa has expressed reservations regarding this measure, because he thinks it may hinder the performance of the Armed Forces.

The EMFA chief said that for the time being the Armed Forces are not providing security to embassies, industries, and government buildings, which are possible targets for terrorist attacks. He explained that with the exception of certain exceptional cases, this duty should not be fulfilled by the Armed Forces.

He said: In principle, it is not the Armed Forces duty to provide security to any facilities other than their own and some federal government facilities. In emergencies, however, the duties of the Armed Forces can be temporarily extended if deemed appropriate and in cases of

serious threat or serious disruption of public order which cannot be handled by the normal authorities.

He said that Brazilian sovereignty is running no risks. He added that low salaries (in November and December 1990, the EMFA submitted to President Fernando Collor several studies asking for a salary readjustment for the Armed Forces personnel) will not impair the morale of Brazilian troops in case of mobilization.

The EMFA chief said that the military ministers do not believe that the Persian Gulf war will end abruptly. He minimized the discrepancies between the EMFA and the Secretariat for Strategic Affairs (SAE) in their evaluation of the crisis. He said that these discrepancies stem from the fact that there are two viewpoints, the general and the military viewpoint.

Asked whether the EMFA believes that there will be street riots caused by the worsening of recession, the general categorically replied: "The EMFA should not voice its opinion on the subject."

All Armed Forces administrative matters have been centralized around Gen. Correa, despite the fact that he does not have the rank of minister. He is also the main military adviser to the president.

As for the possibility of a longer war in the Persian Gulf, Gen. Correa said that it is still unlikely. He believes that it is necessary to take into account that many countries are involved in the crisis. He added that, following the latest developments, the conflict is expected to continue for the medium or long term.

He said that if the war lasts for a long time, Brazil will not send troops to the Gulf and will not lend part of its territory—as it did during World War II for the bases in Natal. He believes that the current situation is totally different and that it is not necessary to reconsider a decision that has already been made.

He added: Brazil firmly supports the United Nations resolutions. A decision has already been made not to send troops.

The EMFA chief did not, however, rule out the participation of Brazil if a peace-keeping force is created for the Middle East.

He said: We have a history of valuable participation in this type of action. Not long ago, we witnessed optimum performance at the Gaza strip (by the Suez (?battalion) at the Fenu [expansion unknown]) and in the Dominican Republic (by the Faibras) [expansion unknown]

Gen. Correa said that thus far there is no reason to fear terrorist acts promoted by Saddam Husayn in Brazil. He reported that at the EMFA headquarters, the Operations Center of the Supreme Command (COCS) is following the Persian Gulf war and is predicting possible developments. The COCS has sophisticated equipment for strategic simulation. The EMFA chief said that the whole of EMFA is engaged in this activity. The information is carefully evaluated and then reported to the government. [passage omitted]

* Rio PCB Meeting Centers on Self-Critique

91SM0164D Rio de Janeiro O GLOBO in Portuguese 19 Dec 90 p 4

[Text] The plenary session of the Rio de Janeiro Municipal Chamber held last Monday evening was the occasion for collective self-criticism. Hundreds of members of the Brazilian Communist Party (PCB) occupied seats on the floor and in the gallery, prepared to turn their backs on the dogmatic past and to weep openly on the shoulders of possible allies such as former prefect Saturnino Braga (PSB [Brazilian Socialist Party]), PMDB [Brazilian Democratic Movement Party] member Fabiano Vilanova, Toucan Tecio Lins e Silva, and PT [Workers Party] member Chico Alencar.

Roberto Freire, the federal deputy who was the brightest star at the meeting, which was convoked by councilwoman Ruca (PCB) to discuss the crisis in socialism and the paths available for the Brazilian left, said repeatedly that the wind blowing from Eastern Europe has affected all of the leftist groups, "even those which were born of the criticism of the single-party regime." Councilman Chico Alencar donned a hood and gave the Communists a scolding, raising the banner of the PT on the rostrum.

"Socialism will only be viable when it ceases to be imposed from the top down, and is instead developed by raising the consciousness of the social bases, which are today splintered and misinformed."

State deputy Heloneida Studart (PT) tried to provide comfort, charging that capitalism is "a vile, homicidal, and infanticidal system."

A lack of perspective was evident in all of the statements. Freire demanded a program alternative of the PT, and was accused by a member of failing to discuss concrete matters, and of "pushing" the PCB toward a union with other forces in a political "jelly." One of the three persons elected by the PCB this year in the whole of the country, he reiterated the need for party renewal, with the alternative being that the party will die or simply vegetate.

"I do not want to vegetate. I want to be a living unit in society."

Freire urged that the name be changed, since it "is linked with a historical experiment which is not the most applicable today." And he blamed "exaggerated orthodoxy" for the lack of a speedy understanding of the facts shaking up Eastern Europe. Federal Deputy Sergio Arouca caused shivers with his statement that "social democracy must be an ally when it comes to rethinking socialism."

"It is true that there are good people among the social democrats, but this is not the proper way to talk," student Igor Grabois said in amazement.

Saturnino, who was invited to sit at the discussion table, also admitted that his party has not been able to establish the causes of the crisis. But he praised the Cuban regime and lauded the fact that the Communists and Socialists have accepted the international news "without a feeling of defeat."

Lenin Next To Fall

Some members of the PCB youth sector are impatient with the slow pace of the review of the party paths. With the eagerness of those who have spent years on end refusing to dance to the different tunes played by the Central Committee, they are preparing for the PCB congress next May with an effort to destroy the myths created during the 73 years of the history of Communism. One of these myths is that of the leader Vladimir Ilich Lenin.

"We want to go well beyond the defeat of Stalinism, which no longer frightens anyone today. We want to show that the ideas of Lenin contained the seed of Stalin's dictatorial authoritarianism," lawyer Marcelo Barbosa, 27, says.

He is the editor of the newspaper ALGO A DIZER, the fifth issue of which carried not the hammer and sickle, but praise for the ecology measure signed into law by President of the United States George Bush. With its reports and articles on cultural matters, this periodical differs substantially from the VOZ DA UNIDADE, the official organ of the PCB, which in its most recent issue appealed to the militants for financial support of the publication, at least until the congress in May.

"The VOZ DA UNIDADE was formerly published weekly, while now it is a monthly. More than the lack of money, there is the difficulty the party is having in increasing its influence in society," admits Kadu Machado, business manager of ALGO A DIZER, which is full of "bourgeois" advertising, as he puts it.

According to Machado, the indifference with which the young Communists are now viewed by the conservatives is a symptom of the crisis in the PCB. He recalls that 10 years ago, when he joined the PC, he caused his uncle, a colonel in the Army, to spend many sleepless nights.

"Contempt is worse than any persecution," Machado says.

* Zelia Solidifies Power Within Government

91SM0164C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 28 Dec 90 p 3

[Text] Brasilia—Yesterday, the power of Minister of Economy Zelia Cardoso de Mello in the government was crystallized with the establishment of the National Supply Company (CNA). After a silent struggle in the back rooms, this minister succeeded in eliminating the Production Financing Commission (CFP), the Brazilian Foods Company (Cobal), and the Brazilian Warehousing Company (Cibrazem), thus deflating the Ministry of Agriculture and Agrarian Reform. Antonio Cabrera, the minister of agriculture, was also unable to get the Ministry of Economy to release the resources needed to finance the planting of the 1990-91 crop harvest.

The three enterprises which have now been merged into a single one (the CNA) served for a long time to provide sinecures for friends of the ministers of agriculture. Apart from the effect on the Ministry of Agriculture, the minister of economy also succeeded in depriving Minister of Labor and Social Welfare Antonio Rogerio Magri and the experienced Minister of Justice Jarbas Passarinho of some power. Passarinho and Magri wanted the Ministry of Economy to adopt a more flexible position when it came to the discussion of the possibility of pre-fixing prices and wages. The minister of economy would not retreat, and the social pact foundered.

Two months ago, when rumors about the fall of Zelia Cardoso de Mello were circulating, she managed to oust Luis Octavio da Motta Veiga from the presidency of the Petrobras [Brazilian Petroleum Corporation], replacing him with the executive secretary at the Ministry of Economy, Eduardo Teixeira. To replace Teixeira at the ministry, Zelia chose one of her right-hand men, Joao Maia. In the incident involving Zelia's personal relationship with Minister of Justice Bernardo Cabral, the bets were that both would be ousted. It was Cabral who fell.

* Weak European Investor Confidence Discussed

91SM0164B Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 28 Dec 90 p 5

[Reali Junior article]

[Text] Paris—Brazil has been ill-treated by the international press. The image of the country in foreign eyes continues to be a negative one, and the reasons given are many—insecurity, poverty, economic recession, corruption, destruction of the environment, etc. In the economic sector, the difficulties encountered in reaching an agreement with the international financial community on the renegotiation of the foreign debt, and now the arm-wrestling with six multinational groups, especially the Autolatina holding company, surprise the Europeans and contribute very little to encouraging potential investors, who continue to opt for the Eastern European countries.

Brazil is viewed with a certain mistrust, although some important steps have been taken to open up its frontiers. However, it has not yet been possible to materialize these ventures in a consistent policy.

Against the Multinationals

On the day a new contest for yet another portion of the East European market was announced, this time in the

automotive sector in Romania, involving the French automobile manufacturers Peugeot and Renault, and Mitsubishi in Japan, the French trade press stressed the launching of "a crusade against the multinational companies" by the Brazilian Government, stating that "the sacrosanct law of the market, to which the Brazilian Government officially converted in March, is now giving rise to conflicting interpretations." This commentary appeared in the morning daily LIBERATION, which also described the government campaign against certain foreign cartels accused of "abusive" price hiking.

Brasilia's main target is Autolatina, but a second front was established through Minister of Health Alceni Guerra who, like his colleague in the Ministry of Economy, attacked certain foreign pharmaceutical laboratories which "are submitting the Brazilian people to a perverse and Machiavellian process" with price increases of up to 80 percent in the past three months. Among the groups cited are Rhodia, the Brazilian affiliate of Rhone Poulenc, the French Government group, whose financial balances have been affected in recent months by the losses incurred by the branch it established in Brazil 70 years ago. For many years, Rhodia was regarded as the most profitable branch the group had abroad.

Investor Apathy

The Rhone Poulenc group is now seeking to redirect its investment policy in Brazil, while other French groups prefer to wait for the situation to become clearer and for the market to be in a position to react, which is not the case at present. Some French investors traditionally involved in Brazil are opting for another country in crisis—Argentina—although their initial preference was Brazil, which they viewed as a more important market.

The interest in new investments in Brazil is waning as the interest in Eastern Europe augments. While the French Peugeot and Renault groups are hesitating about establishing themselves in Romania, the Japanese Mitsubishi company is waging a bitter contest with the Korean Hyundai group. What is at stake is an association with the Romanian Oltcit company. The French Renault group has already sent an exploratory mission to Bucharest, while Peugeot fears a repeat of what happened in the past, when Oltcit, in association with Citroen, lost more than $1 billion in trying to manufacture the Axel, an economy version of the Citroen Visa. Citroen is unwilling to accept its portion of these losses, which is a contributing factor in its dispute with its Romanian associates. In five years, the Romanians only succeeded in producing 60,000 of these vehicles, while the plans called for annual production of 150,000.

* Plans To Strengthen PT Parallel Government

91SM0164A Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Dec 90 p A-8

[Interview with Workers Party President Luis Inacio Lula da Silva by Carlos Eduardo Alves; place and date not given]

[Text] The parallel cabinet headed by Federal Deputy Luis Inacio Lula da Silva, 45, announced by the Workers Party (PT) as the "great political innovation in the country," has not yet aroused enthusiasm even among the PT members. Also conceived in the hope of keeping Lula in the center of the political game, it has almost become a secret maneuver.

His "cabinet" has met only five times since July, has produced two projects (on education and the Northeast), and has kept the man who commanded 31 million votes in the second round of the 1989 presidential election out of the news. Lula cites the time pressure because of the most recent government and legislative electoral campaigns as the reason for the current situation of the parallel government. He further complains of the "ill-will" shown by the press in reporting its appointment.

In the list of reasons given to explain the failure of the parallel government, Lula admits that the recent electoral performance of the PT also has some weight. "The electoral advantage is with the winner of the elections. It is not the best time for the loser, and we are the losers in the gubernatorial elections," Lula says.

Admitting that he is "obsessed" with the parallel government concept, the national president of the PT feels compelled to demonstrate the political viability of his cabinet. "The parallel government is the other side of the coin. Through it, we are going to show that this country could be governed in a different way," he said, noting that defeating Fernando Collor de Mello in a presidential election is still an active specter.

Installed in a two-story house in Vila Mariana (in the southern part of Sao Paulo), the parallel cabinet has four advisers and two secretaries. Between wages and operational expenditures, it is costing about 1.3 million cruzados. None of the 16 "ministers" is being paid for his work. The parallel government's lack of structure and the feeble political impact of the concept worry the party—to the extent that this will be the first item on the agenda at the next meeting of the national board of the PT.

The solution to the impasse, the president of the PT believes, lies in a "popular mobilization." After the carnival season, Lula hopes to travel through the Northeast with the emergency proposal of the parallel government for that region in his pocket. "I want to call upon the people to join in the struggle again," he says. His plans also call for organizing marches in support of changes in the economic policy adopted by Fernando Collor de Mello's government. "If a campaign is launched, you can rally thousands of individuals in each capital within a month. It is not normal for the people to be hungry and to remain quiet in the way that they have," he believes.

Lula's lack of trade-union success was made clear when he reported with enthusiasm on his presence at a recent meeting of mailmen in the Federal District. "I find it fantastic that the parallel government can go out to talk with a hundred individuals in the middle of the street.

This is the real world," he said. He does not agree with the assessment that his political program has aroused little enthusiasm because it was addressed to a small audience. "You do not get a million persons together every day," he argues.

Lula calls the tour he will go on beginning in February a "test." He admits that there are problems in organizing a mobilization in difficult recession times, but he is instinctively relying on the dissatisfactions, ready to explode, and which he foresees. "The parallel government may be something which takes time. But I have all of the time in the world—I am only 45," he says.

Lula insists that there has not yet been time to prove those who have never believed in the success of the parallel government to be right. Reluctantly, he admits that he might be mistaken. "If I am not right, I will have to be honest and admit it," he adds. He believes that there has not been sufficient time as yet to determine whether he has bet his chips on a project which is not viable.

The initial idea of his project was to bring "the second-round platform" together in the parallel government. But the political forces which supported the PT leader in the final stage of the 1989 election—which, in addition to the Brazilian Popular Front coalition (PT-PSB [Brazilian Socialist Party]-PCB [Brazilian Communist Party]-PC do B [Communist Party of Brazil]), included Leonel Brizola's PDT [Democratic Workers Party], as well as some sectors of the PSDB [Brazilian Social Democracy Party] and the PMDB [Brazilian Democratic Movement Party]—have not rallied in support of this idea.

From the other parties, Lula has only succeeded in including in his "cabinet" Federal Deputy Cristina Tavares (PDT-PE [Pernambuco]), in the communications sector, and Senator Jose Paulo Bisol (PSB-RS [Rio Grande do Sul]), his vice presidential candidate in 1989, in the constitutional reform sector. A number of individuals left Lula's team in 1991.

Congress Not a Priority

Lula's parallel government venture is not an isolated move. It is linked with his decision not to be a candidate last October. Lula is increasingly convinced that the institutional path should not be given priority by the PT. "I believe that the real opposition in this country lies outside the institutional path, outside the Congress. It will occur within the factories, in the slums, in the struggle of those without land," he says.

Lula's vision, which revives an old leftist debate, became stronger after his experience in the Congress. He explains it quite openly, just a year after almost having been voted into the presidency. Reinitiating the traditional leftist discussion, Lula says that "depending on the so-called dominant elite within the opposition in this country will always involve the institutional route, either through the Congress or through the government palace."

According to Lula, "The struggle in the social field is the more important one." He states emphatically that only the pressure of civil society and the popular movements can consolidate democracy in the country. "There is no other way." In his view, there is no possibility of separating his political future from street mobilizations. "I am convinced that if the PT does not give priority to the social struggle, it will remain on a very secondary level." Speaking to the 35 federal deputies representing the PT, he said: "If a social movement were to surface, the 35 of you would become 80."

Lula says that he is not concerned about not being involved in the opposition negotiations, which are today in the hands of Quercia and Brizola. There is already debate in the PT which is engaging in self-criticism. "If Lula is not asserting his political presence, the leadership of the party needs to define what the action of the PT should be at the present juncture," the secretary general of the PT, Jose Dirceu, 44, says. He agrees that the party is losing influence in the post-Collor scenario, and that its membership does not yet see the importance of the parallel government as set forth by Lula.

Dirceu believes that the parallel government is training cadres, apart from setting forth proposals to the "popular movement" and establishing a foundation for the activities of the PT representatives in the parliament. "We have to train personnel. When the left wing takes power, it will not know what to do with the machinery."

Going Into the Streets

As the coordinator general of the parallel government, Lula believes that his project has not yet achieved visibility, and he wants to go into the streets to make it better known. The PT leader criticizes the Collor government and says that the president lacks a plan. The following are excerpts from our interview with him.

[Alves] Do you believe that the parallel government is playing a large enough role in the political game?

[Lula] No. We fall far short. I believe that 25 percent of the blame is ours, but 75 percent can be ascribed to the ill-will of individuals who do not want to accept it. It has always been claimed that the politicians have lacked programs. For the first time in the past 30 years in this country, we are setting forth a proposal for the development of the Northeast, and the newspapers are not giving it any prominence.

[Alves] What do you plan to do so that the parallel government will be known to the people?

[Lula] I am going to the states to meet with the trade-union members and parliamentarians, to hold street meetings, etc. We are going to do with the parallel government what we did with the PT.

[Alves] Hasn't the parallel government achieved very little to date?

[Lula] We have already done more than the Collor government. What has it done except in the economic sector? What has become of the education plan? And the others? The government has not offered any simply because it has no plans.

[Alves] You admit that the atmosphere today is not very favorable for a great popular mobilization. How will you succeed in motivating the people to rally around the parallel government projects?

[Lula] The idea is to present the emergency measures, as a function of the crisis, and to appeal to society and to demand that the Congress and the government take steps. We want to show that the government can gain control of inflation without leading the country into absolute bankruptcy.

[Alves] Do you really believe that you can again rally many people in mass meetings?

[Lula] Of course I can. I guarantee you that if Collor does not change his economic policy by the middle of the coming year, a hundred thousand persons will rally in meetings in every important capital in the country.

*** Unemployment Prompts Growth of Informal Economy**

91SM0146A Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Dec 90 p B-3

[Article by local correspondent Fernando Canzian: "Unemployment Prompts Growth of Informal Economy"]

[Text] The recession is propelling an increasing number of unemployed into the informal economy. Data from SEADE [State System for Data Analysis] indicate that in October approximately 1.2 million persons (more than half the number employed by the state of Sao Paulo's industry) became independent workers. An additional 800,000 began to work without any form of registration. A further increase in these figures is anticipated for November and December. In the 80 municipalities of the Ribeirao Preto region, the municipal governments recorded a 36 percent increase in the number of street vendors registered by comparison with last year. During the past two months the region recorded 20,000 dismissals in commerce and industry, making a total of 65,000 for the year.

Regarded as a kind of "shock absorber" for less-skilled workers in times of crisis, the informal economy is likewise experiencing hard times. Large wholesale stores that sell costume jewelry, perfumes, toys, and clothing to street vendors and peddlers estimate that sales are down 50 percent from the figure for last year.

"The number of workers whose relations with their employers are precarious is increasing rapidly," SEADE director Marcio Percival Alves Pinto says. These workers are expected to swell the ranks of unregistered workers.

Antonio Vicente Golfeto, director of the Economics Department of the Ribeirao Preto Commercial and Industrial Association, maintains that the informal economy has increased in direct proportion to the worsening of the economic situation. In the last three months the number of registered street vendors has tripled in the 80 municipalities of northeastern Sao Paulo state. In the same period, the number of checks cleared by the banks of the region decreased by 60 percent. Informal economic transactions linked to criminal activity have also increased. According to Golfeto, whereas activity on the parallel dollar market was $150,000 per day immediately after the Collor Plan went into effect, it now adds up to to $2 million per day. "Tax evasion has also increased," he declares, "and is now affecting 30 percent of the tax collections in the region."

Maria Cristina Cacciamali, USP [Sao Paulo University] economist and an expert on the informal economy, maintains that in Brazil 50 percent of the economically active population is unregistered and pays no social security tax. These data are from the IBGE [Brazilian Institute of Geography and Statistics] and relate to the year 1987. "The current recession," she says, "which is much deeper than any previous one, will make this situation worse." She adds that unskilled workers who have lost their jobs are the principal participants in the informal economy.

Last week the Sao Paulo State Association of Builders of Large Structures (Sinduscon) announced the dismissal of a total of 75,701 workers in November. This elimination of 7.45 percent of all jobs was the most serious since 1982, when the nation experienced its most recent recession. According to her analysis, a large proportion of this pool of unskilled labor has left to find employment in the informal economy.

City Has More Street Vendors, But Sales Decline

A large proportion of the unemployed and other workers in the informal labor market have been encountering difficulties in their respective enterprises during these final weeks of the current year. A well-known group of shops that wholesale jewelry, perfumes, toys, and clothing—located on 25 Marco Street in downtown Sao Paulo—is passing through its worst crisis of recent years. According to shopkeepers interviewed by FOLHA DE SAO PAULO, sales of merchandise to street vendors and peddlers of the city are down 50 percent this December by comparison with the same month of last year.

"The number of peddlers has multiplied, but sales have declined by half," declares Valter Gayoso, owner of Neifa Notions, a small store that wholesales zippers, buttons, ribbons, and elastic. "The street vendors have stopped buying in large quantities," says Ale Lauand, owner of the Lauand costume jewelry store. "Nevertheless, they are taking over the sidewalks and are even hurting our retail business."

The government of the Municipality of Sao Paulo has registered only 9,400 peddlers in the city. The actual

number of these workers is obviously greater, for most are working without registration and without keeping tax records.

Armando Sarmento, a native of Paraiba State who is a street vendor in downtown Sao Paulo, was laid off in November from his job as mason with a major Sao Paulo building contractor. Using his wife's savings and his unemployment insurance, he went to Paraguay and bought 120,000 cruzeiros worth of toys and electronic gadgets, all of which remains piled up in his market stall. "I haven't been able to sell half of what I expected," he declares, "and I don't know what I am going to do."

"The recession has even affected the most informal of all markets," says businessman Roberto Nicolau Jeha, owner of a corrugated paper factory in Sao Roberto. Jeha maintains that the ragpickers in the street are losing their jobs because of the economic crisis. These people used to sell the paper they picked up on the street to warehouses who then pressed it and resold it to the cardboard box companies. With the decline in business at these companies, the production of cardboard boxes decreased from 88,700 tons in October to 75,000 tons in November. According to Jeha, many warehouses that used to buy paper from the ragpickers closed their doors in November for lack of orders.

* Marlim Oil Exploration Project Discussed

91SM0146B Sao Paulo ISTOE SENHOR in Portuguese 12 Dec 90 p 31

[Article by Altamir Tojal: "A Torrent of Money: $1.8 Billion To Increase Production"]

[Text] The upsurge in petroleum prices following the invasion of Kuwait gave the green light for Petrobras [Brazilian Petroleum Corporation] to begin to make investments that had been postponed for more than three years. Since 1987, when the company began to encounter financial difficulties, the total value of its investments has decreased considerably. This situation—which even threatened to cause a decline in domestic oil production—has now begun to be reversed, with the approval by the Petrobras management of the project for the development of the Marlim field in the Campos Basin. The resultant production—which will be enormous by Brazilian standards—is expected to reach almost 200,000 barrels per day in January 1994, a figure that represents almost one-third of all the oil currently produced in Brazil.

According to Joao Carlos de Luca, Petrobras' director of development, Marlim could have been developed as early as 1987. The postponement resulted from the need to assign priority to the conclusion of investments already under way, such as the Northeast District of Campos Basin, which absorbed $1.5 billion and is today producing 100,000 barrels per day. Marlim is a much more cost-effective project. It will produce twice as much oil, and the total investment will be $1.8 billion over a period of five years. Every barrel extracted will cost the company $7.40—a very low figure compared with the average of $14 for the Campos field. Marlim will accordingly have paid for itself after only two years and five months of production. In addition to petroleum, Marlim will be producing 2.3 million cubic meters of gas per day by 1996.

In order to regain the capacity to invest, Petrobras is attempting to adopt new forms of financing—at a time when it is very difficult to obtain credit both in Brazil and abroad. Until very recently the company provided the capital for almost all of its own investments. And it did more than just that. To encourage the domestic production of the equipment and services it needs, it even paid domestic producers a price three or four times higher than the going price. "At times," De Luca recalls, "it paid a high price for a domestic product and wound up having to import it anyway, because the quality of the equipment made here was not satisfactory." Petrobras has now begun to require that its suppliers provide financing, and in the light of the new industrial policy—which facilitates imports—it is entering into negotiations with domestic industry concerning prices.

The strategy for financing the Marlim project is a good example of the new philosophy. The competitive bidding on the contract to supply the two semi-underwater platforms (which will cost $500 million) was won by the consortium formed by the Brazilian Tenenge industrial construction company and the Fels shipbuilding firm of Singapore. The consortium had to obtain financing abroad in conjunction with the Japanese group Nishoo-Wai, in a complex transaction scheduled for completion this week. Although Petrobras has not acknowledged it, the fact is that in order to overcome the resistance of the international financiers to supplying credit to Brazil in view of of the moratorium on the foreign debt, the collateral to secure the loans from the Japanese financial backers of the project will include the petroleum that Petrobras will need to import in the future.

Many of the domestic suppliers do not like the financing requirement. They contend that they will be at a disadvantage vis-a-vis the foreign suppliers. Here in Brazil there will be no long-term credit so long as there is no monetary stabilization, and the international sources of credit will continue to be virtually inaccessible so long as the problem of the foreign debt remains unsolved. For Petrobras there is consequently no alternative. "The company needs this now," De Luca warns. He further commented that the company feels very comfortable with its position inasmuch as it has helped domestic industry to become competitive in quality with the rest of the world.

Chile

Ambassador Moves Out of Riyadh Following Attacks

PY2901134691 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 29 Jan 91

[Text] Chilean Ambassador to Saudi Arabia Jorge Tarud, who is an outstanding ambassador, has left

Riyadh and gone to Jeddah following the Iraqi missile attacks that have affected areas very near the Chilean embassy. The embassy is located quite near the airport, a constant target for the Scud missiles.

Ambassador Tarud has gone to the former Saudi Arabian capital with the Chilean first secretary (Jorge Salinas).

When asked about the situation of Chilean diplomats in Saudi Arabia, Foreign Ministry Director General Carlos Portales answered via one of his subordinates that the Foreign Ministry will soon report on this matter.

PCCh Leader Criticizes Lack of War Initiatives

PY2901131791 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 29 Jan 91

[Text] Gladys Marin, member of the Communist Party of Chile [PCCh] Political Committee, has revealed the possibility of organizing a nationwide strike and of stepping up social pressure should the government not publicly disclose the names of the people guilty of violating human rights included in the report by the Rettig Commission [Truth and Reconciliation Commission investigating violations of human rights].

Marin added that measures of this nature do not mean siding with the opposition because the PCCh continues to support the government, although not unconditionally.

Gladys Marin said that the PCCh has an independent and critical attitude and that it wishes to exert pressure on the government over this matter.

Regarding the war in the Persian Gulf, Marin said that the Foreign Ministry has revealed a poor and weak attitude and a lack of initiative to promote a peaceful solution.

Special Prosecutor To Investigate Stadium Bombing

PY2901115691 Santiago Radio Cooperativa Network in Spanish 2200 GMT 28 Jan 91

[Text] The government has asked the Santiago Appellate Court to designate a special prosecutor to investigate an attack at the national stadium during a baseball game some time ago. Lawyer Jorge Burgos, head of the government legal department, reports:

[Begin Burgos recording] You will recall that some time ago a bomb was brought into the stadium by someone involved with the sport, and that it exploded killing one Canadian citizen and wounding some U.S. citizens. The 14th Criminal Court was hearing the case like any other. During December and January, however, the Canadian Government formally asked the Chilean Government to study the possibility of designating a special prosecutor to investigate the case. The Canadian Embassy handed the petition to the Foreign Ministry. [end recording]

Burgos added that the Interior Ministry and the Foreign Ministry has evaluated the situation and decided to forward a petition on the subject to Santiago's Appellate Court. According to Burgos, there is new evidence that is worth investigating. Burgos added that he referred to a publication in which autonomous factions of the Manuel Rodriguez Patriotic Front claimed moral responsibility for the crime. Burgos said that the court will decide on the petition within a few days.

Colombia

Gaviria Discusses Journalist's Death, New Decree

PA3001041391 Bogota Inravision Television Cadena 1 in Spanish 0134 GMT 30 Jan 91

[Speech by President Cesar Gaviria from Narino Palace in Bogota—live or recorded]

[Text] Colombians: Tonight I wish to start by sharing with all of you an evocation of Diana Turbay de Uribe as a woman, mother, and exemplary wife and daughter; an ever-diligent, restless, and professional journalist; and a fighter for the peace that one day we will attain for our country, out of homage to her memory and the memory of thousands of Colombians who have fallen in the past few years.

Her father, former President Julio Cesar Turbay; her mother, Mrs. Nidia Quintero de Balcazar; her husband, Miguel Uribe; and her children, Maria Carolina and Miguel; as well as all her relatives, friends, and other people close to her, know that the Colombian people, headed by the president of the Republic, are with them at this time of sorrow.

On many occasions I have said that a president is not only obliged to do the right thing, but to maintain permanent contact with the people to explain his actions and policies. I am speaking to you tonight to comply with this task.

Many versions have circulated on the operation that the National Police carried out at Copacabana Municipality, Antioquia Department, on 25 January. I have noticed that many commentators, who are most probably reflecting the thoughts of the people, are wondering how it is possible that the president had no prior knowledge about the implementation of an operation of this nature.

As I have said on numerous occasions, operations aimed at bringing criminals to the hands of justice cannot be stopped, and it would be ill-advised to depend on the president's approval for them. There is and there must be operational autonomy and established guidelines and responsibilities in the fulfillment of military and police duties. Therefore, operational decisions are not and must not be centralized. That would jeopardize the leadership and its efficiency.

The framework of police and military responsibilities is clearly established. The military forces fulfill specific objectives as part of the strategies of the national government. It is not up to the president to design military

operations or to authorize planning details. This is the responsibility of the military command.

The president, in line with his constitutional obligations, and as commander in chief, must watch for compliance with the public order objectives of the government.

Regarding the rescue of kidnapped people, which specially trained groups have been doing successfully, we have sought to prevent the authorities from carrying out any effort in this direction without first obtaining the approval of the family of the person being retained. In the very special case of journalists, it is even more important for the authorities to consult the family, and in addition their superiors. To clearly establish how the National Police acted in this case, on Sunday I asked, in a letter, the nation's attorney general to establish the situation that preceded the police operation, the circumstances, and the actions involved.

I want this to be established as soon as possible. I do not want endless investigations that would delay the conclusions. I have the obligation to safeguard the Colombians' trust in their institutions, and this can be done only when everything is completely clear.

As a result of legal analyses carried out by experts in recent weeks, the government will issue a new decree, within a few hours, in line with the judicial policy we began implementing in September of last year.

The decree maintains the original philosophy of the judicial policy and is aimed at improving procedures. First, it explains under what conditions the government will abstain from extraditing people who voluntarily surrender to justice, confess their crimes, and are sentenced to prison for crimes listed in Decrees 20-47 and 30-30 of last year.

The second aspect deals with the period during which the benefits granted by the decrees will be in effect. The period has been changed from 5 September to a date to be announced. This change does not mean at all that crime will have impunity. We believe that the benefits of a policy that has demonstrated its efficiency during the few months it has been in effect could be expanded to be more effective.

The state is not renouncing its prerogative to investigate, to accuse, and to pass judgment. The idea is to facilitate the implementation of a policy to bring criminals to justice, to have them surrender and confess their crimes so that they may serve their prison sentences and justice may achieve its objective.

Third, the decree is aimed at preventing in the future the existence of judges who do not fulfill their duties and who distort the spirit and the objective of the judicial policy. I repeat what was said this past Friday: Whoever surrenders to the authorities will be treated according to the decrees, with the resulting sentence reductions and the guarantee of nonextradition. Whoever throws out this opportunity will be fully punished by the law.

Finally, the decree is aimed at improving the cooperation between our judicial branch and those of other countries in exchanging evidence and the necessary information. Considering the differences that exist between judicial systems, it will be necessary to issue new measures in the future to achieve this objective.

For years public order in Colombia has been threatened, but not just by drug traffickers and narcoterrorists. It is also a fact that several guerrilla forces have repeatedly rejected offers for their honorable return to a civilian, democratic, and peaceful life. The last one of these offers was made by the president of the republic himself in a message addressed to the governors and the national rehabilitation program delegates. On that occasion the government's proposal included several concerns that had been repeatedly presented by those rebel groups during the past years, but we did not [word indistinct] lies.

The government generously and clearly presented these proposals in September, but the rebel groups had already made other plans. Prior to the military operation against the so-called Casa Verde, they started to escalate their acts of terrorism during September, October, and November. The following barbaric actions were carried out during this period: Sixty peasants were murdered, 24 ambushes were staged against Army and police members, seven attacks were carried out against small townships, 41 people were kidnapped, 51 terrorist actions were carried out against civilian installations, and six police youth members were massacred.

Nevertheless the government maintained its proposal, convinced that it had to take advantage of the unique opportunity for reconciliation presented by the Constituent Assembly in which, in different manners at least, three of the groups who most recently were outside of the law were represented.

Today they have rejoined, or are in the process of rejoining, civilian life. It is clear that the authorities could not renounce their constitutional obligations. As I said clearly in the graduation ceremony of the Superior War College last 22 November, the operations of presence and control are military decisions that can hardly require express permits or presidential authorization; however, they must be consistent on the whole with the government's policy. The legitimate use of force is not an element that can be questioned in any case, yet it does not imply a political definition of paths of dialogue that must be closed or must remain open.

The Colombians interpret as false those peace formulas which propose dialogue yet renounce the exercise of authority in certain areas of our territory. That experiment already failed, and we all know the consequences it brought for us. What the government has done and continues to do is to be willing to engage in dialogue. For it to yield fruit, it is necessary that the armed organizations which have not yet done so demonstrate with facts an unequivocal will to attain peace. The country would not understand it if we accorded the same treatment to

those who demonstrate the will to rejoin civilian life as we do to those who respond to the generosity of the government and society by killing minors or burning trucks of the humble man who has no other means to earn a living.

I ask you Colombians, holding my hand to my heart: can the institutions renounce defending the sacred rights of this man and of the thousands whom blind terrorism have left without the public services needed to live and work, damaging the roads on which their products go to market, or burning their means of transport, thus isolating these fellow citizens from the world where they can make a living?

I do not know if anyone in Colombia has any doubt about that point. The president of the republic does not. He knows what his duty is. He intends to keep on fulfilling his duty and is convinced that the overwhelming majority of Colombians support him on this. But just as it does not renounce the legitimate use of force, the Colombian Government has also not closed the doors of dialogue. This disposition must not be interpreted as capitulation, but as a civilized procedure to resolve conflicts. If the conditions arise, and that depends on the attitude assumed by the FARC [Revolutionary Armed Forces of Colombia] and the ELN [National Army of Liberation], we will immediately promote a direct and expeditious rapprochement which will take us to firm foundations of peace and coexistence.

The government maintains the offers that it made in September. It is willing to permit international verification of possible agreements and to consider allowing people of national significance to participate in the process. Seeking to guarantee conditions of coexistence, I have been more determined to present an annual report on the situation of human rights in the country and to carefully evaluate the conditions of ratification of protocol two which is supplemental to the Geneva conventions. But I reiterate, the possibility of a dialogue bearing fruit under those conditions depends essentially on those people forsaking terrorism and showing the government and the country, above all, that they have the clear willingness to attain peace and that they are not playing with our generosity.

I want to conclude by calling on Colombians of good will to persevere in their efforts to attain a lasting peace. All of us have that commitment. Rest assured that the government will do its part in searching for peace as it has been doing since 7 August. To the violent ones who are intent on harming our present and endangering our future, I call on them to set aside their belligerent attitudes and to join the policy designed by the government to attain peace. Nothing could be better for Colombia. Nothing but peace would be the best gift for our children and the future generations of Colombians. We have a path ahead of us on which we must build a future so that Colombia will be a prosperous and peaceful nation.

Colombians, let us prepare the paths of peace, work, and progress. I call on each and every one of you today to take forward the peaceful revolution that we need and to which we aspire. Let not a single day pass in which we do not work with that goal in mind, so that we can say in a couple of years, or perhaps months, that our fatherland is producing these men. Let nobody on earth have any doubt that they are men of peace. Thank you very much, good night.

Officials Explain Actions in Turbay's Death

PA3001025491 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Jan 91

[Text] President Cesar Gaviria Trujillo has unexpectedly attended an extraordinary security council meeting held at the Defense Ministry. At the conclusion of the lengthy meeting, Defense Minister General Oscar Botero and Government and Interior Minister Humberto de la Calle talked to reporters.

In sum, the government insisted that the operation in which journalist Diana Turbay was killed was intended to capture drug traffickers, not to liberate hostages. This is the official reaction to the emotional charge by Mrs. Nidia Quintero made on the day her daugther Diana was killed.

[Begin recording] [Quintero] Diana's death is not merely the result of the criminal nature, an unbridled war, or the insensitivity and madness of those calling themselves the Extraditables, because the government and the president are equally responsible. Carelessly, and almost coldly and indifferently, they did not heed the pleas that attempts to rescue them not be made.

[Botero] This matter has stirred doubts in the country. That is why the president, in an orderly fashion, told the Attorney General's Office to conduct an investigation into the matter. The national police have been instructed to provide all of their help and to support to the Attorney General's Office in the ongoing investigation.

[De la Calle] The government's law enforcement policy must balance fighting crime with protecting innocent lives. This is a universal principle on the matter. The defense minister already explained what happened on 25 January: the police were in pursuit of drug traffickers. [end recording]

FARC Reportedly Contacted Venezuelan Government

PA2901150491 Bogota Radio Cadena Nacional in Spanish 1253 GMT 29 Jan 91

[Text] It was confirmed from Caracas a few minutes ago that the FARC [Revolutionary Armed Forces of Colombia] has contacted the government of Carlos Andres Perez. It is seeking a mediator for a direct communication between the FARC and the Colombian Government. The FARC wants to reach a peace accord and an understanding with the government of Colombian President Cesar Gaviria.

Two Colombian delegates, Congress President Cornelio Reyes and congressman Diego Montana, made some contacts with the FARC in Venezuela a few days ago. It has also been said that Spain has intervened in case Manuel Perez, the guerrilla priest, decides to return to his home country. This particular report has not been confirmed. The contact between the Venezuelan Government and the FARC, however, has been confirmed.

Former Guerrillas Present 'Working Platform'

PA3001003891 Paris AFP In Spanish 1940 GMT 27 Jan 91

[Text] Bogota, 27 Jan (AFP)—After throwing its weapons into the Caribbean Sea last week in preparation for rejoining Colombian civilian life, the former guerrilla fighters of the Revolutionary Workers Party (PRT) presented their working platform on 27 January.

The PRT ended 16 years of armed struggle when it dumped its weapons into the Caribbean Sea, very close to the Cartagena de Indias resort, while saying "for life, peace, and democracy we say farwell to arms, while the ocean awaits them... make room for the future."

Top PRT chief Commander Valentin Gonzalez, presidential peace adviser Jesus Bejarano, and national politicians attended the PRT demobilization ceremony on the high seas.

Over 150 weapons including rifles, carbines, machine guns, and ammunition were dropped from two helicopters into the deep Caribbean waters as the first step in rejoining civilian life.

The political working platform announced by Gonzalez includes the following points:

1. Defense of national sovereignty.
2. A right to life and respect for human rights.
3. Participative democracy and social justice.
4. Eradication of the various factors of violence that still prevail in a large sector of the nation.

The PRT is the second subversive group in Colombia to demobilize; the M-19 [19 April Movement] demobilized in March 1990.

'Criminals' Open Fire on Crowd in Medellin

PA2901150091 Bogota Radio Cadena Nacional in Spanish 1210 GMT 29 Jan 91

[Text] Medellin—Unidentified criminals fired at several people who were standing around talking in a poor sector of Huerta de Guayabal in eastern Medellin. Six people were killed and one was wounded.

According to a report by the Metropolitan Police of Medellin and Valle de la Burra, criminals who were riding in automobiles opened fire with submachine guns on a group of men and women who were standing around talking in La Toma neighborhood. Six people died instantly and another person was taken to a hospital.

Ecuador

Coverage of Protests To Latest Economic Measures

Street Demonstrations Continue

PA3001021591 Quito Radio Quito in Spanish 2300 GMT 28 Jan 91

[Text] Since early this morning, street protests have resumed against the government's lastest economic measures. The demonstrators are demanding the immediate repeal of these laws because they are seriously damaging the economy of the middle and lower classes. Demonstrations began near Central University, the Juan Montalvo Teaching School, in the Juan Pio Montufar areas, on Colombia Avenue, near the Isidro Ayora Infants' Hospital, and [word indistinct].

There were traffic jams and serveral shops closed their doors, fearing the spread of protests by students, employees, and workers.

Protests Spread to Provinces

PA3001035991 Quito Radio Quito in Spanish 2327 GMT 29 Jan 91

[Text] Street demonstrations and protests against the government's latest economic package have spread to several cities of the country. Students and workers are rejecting increases in the prices of mass transit fares, gasoline, and food. According to the police, there were violent demonstrations yesterday in Ibarra when students of the 17 July, Daniel Davis, and [name indistinct] schools blocked the Panamerican Highway with stones, burning tires, and other objects.

The demonstrators destroyed a national police car and wounded agent Miguel Torres with a stone. According to our reports, there are similar demonstrations taking place in other provinces to protest the high cost of living, as well as the economic measures taken by the current government.

The police chief of Pichincha, Carlos Echeverria, reported that 30 people have been arrested so far. Giovanni Apariguano, secretary of the Ecuadoran Secondary Level Students Federation, said that the demonstrations will continue because the government is enforcing a policy that causes hunger among the populace.

[Begin Apariguano recording] Not content with smothering the people with the measures taken on the price of fuel and mass transit fares, the government ordered a [word indistinct]. It has violently repressed student demonstrations. Last week a student, [name indistinct], was captured and tortured for two hours so that he would sign a confession. Yesterday the secretary of the [word indistinct], who studies at the Mejia National School, was hit by a bullet fired by the national police. Luckily, the man who did the shooting was identified. [end recording]

Government Calls For Understanding

PA3001001891 Paris AFP in Spanish 1325 GMT 29 Jan 91

[Text] Quito, 29 Jan (AFP)—While street demonstrations are continuing and trade unions are preparing for the strike, the Ecuadoran Goverment has deplored the strike announcement and called for an understanding of the economic situation. Meanwhile, local hospital interns have called for an indefinite strike.

The people's reaction was prompted by a package of economic measures, which include a currency devaluation and an increase in fuel prices and bus fares, that came into effect on 25 January. The Sole Workers' Front, the country's most important trade coalition, has organized a 24-hour strike for 6 February.

The economic measures adopted by the government may have an impact on the people, but "these measures are needed given the country's economic situation," Secretary of the Presidency Gonzalo Ortiz said.

The official believes the measures are the only way to come out ahead in the quest for economic reactivation. He added that a great deal of undestanding is needed.

Seven of Quito's most important schools remain closed in order to "protect the students' physical integrity," according to the Education Ministry. Despite this, protests have increased. Police used tear gas and water jets to clear the streets where youths had erected barricades, including burning tires.

The Central University's Institute, Quito's largest university and planner of the street protests, has said that since August 1988, when President Rodrigo Borja's social democratic government came to power, Ecuadoran basic basket prices rose by 190 percent against a salary increase of only 100 percent.

The National Medical Federation, the entity that houses all of the country's health workers, called for an indefinite strike for 28 January, but most public and private clinics worked normally.

The interns began a strike 49 days ago that was gradually backed by a whole range of sectors that have paralyzed public hospitals. This, however, has not been the case with the dispensaries.

The government's proposed 60 to 92-percent salary increase has not been accepted by the health workers. These health workers are also demanding hospital equipment and supplies.

'Peaceful Takeover' of Embassies

PA3001044191 Madrid EFE in Spanish 2321 GMT 29 Jan 91

[Text] Quito, 29 Jan (EFE)—The Chilean, Mexican, and Swiss Embassies, and the offices of the Pan-American Health Organization (PAHO), were seized today in Quito for two hours by about one hundred striking doctors, sources in the diplomatic missions reported. These sources indicated that the doctors' peaceful takeover was meant to call the government's attention to their demands for better wages.

The demonstrators abandoned the PAHO mission and the three embassies two hours later. This action came after an ultimatum by Public Health Minister Plutarco Naranjo to either end the strike or abandon the hospitals. Interns on rotation and resident physicians of the country's state hospitals have been on an indefinite strike for the past 50 days; they are demanding wage increases that range from $60 to $80.

Paraguay

Labor Leader Views Lifting of GSP Sanctions

PY2901123291 Asuncion ABC COLOR in Spanish 29 Jan 91 p 12

[Text] United Labor Federation (CUT) leader Victor Baez Mosqueira has said that the sanctions imposed on Paraguay within the General Preferences System (GSP) will be lifted within a few days. The U.S. Congress will reportedly grant a Paraguayan Government request to rejoin the GSP.

Baez Mosqueira, who made the announcement yesterday, said that he received a report at CUT headquarters over the phone from Washington saying that "the committee analyzing the Paraguayan request to rejoin the GSP has issued a favorable resolution."

U.S. Ambassador Timothy Towell said that he did not yet have official information and that he would contact Washington to request further details.

Baez Mosqueira said that the announcement coincided with the recognition of the ANDE [National Electric Power Administration] labor union, a state-worker union that after long efforts has managed to register with the General Directorate of Labor, which is an agency of the Ministry of Justice and Labor.

Baez Mosqueira said that according to the report, "the sanctions will apparently be lifted within the next few days." When asked the CUT opinion on the U.S. position, he replied: "The economic sanction was a U.S. decision and it is up to the United States to decide whether to lift it. We can say that if the sanctions helped the public servants to have their right to organize themselves respected, then at least it fulfilled a part of its objective."

Paraguay lost the GSP privilege in 1987 during the dictatorship of Alfredo Stroessner. One of the main reasons for implementing the sanctions was the violation by the government of workers' labor and human rights.

The official announcement received by the CUT reveals that the sanctions will soon be lifted. It should recalled

that this labor organization "conditioned" the lifting of the sanction during a public debate in Washington in June 1990. On that occasion, the then Labor Minister Alexis Frutos Vaesken and National Workers Federation (CNT) leader Juan Manuel Peralta requested a prompt lifting of the sanctions, claiming that there was labor freedom in the country.

Peru

Iraqi Charges Against Perez de Cuellar Rejected

PY2901125891 Madrid EFE in Spanish 0428 GMT 29 Jan 91

[Text] Lima, 28 Jan (EFE)—On 28 January, the Peruvian Government "categorically" rejected the accusations that have been leveled by Iraq against UN Secretary General Javier Perez de Cuellar. Iraqi Foreign Minister Tariq 'Aziz has charged that Perez de Cuellar is responsible for "the crimes that have been committed against the people of Iraq."

A communique that was issued by the Peruvian Foreign Ministry on 28 January indicates that the country and world public opinion bear witness to Perez de Cuellar's "continuous and dramatic" efforts to maintain peace.

The communique states that the Peruvian Government, "interpreting the national sentiment, categorically rejects" the accusations contained in the letter that Tariq 'Aziz sent to the UN secretary general and in which he stresses that "the responsibility before history and humanity of the atrocious crimes against the noble people of Iraq" falls on Perez de Cuellar.

The communique adds that today in Caracas the foreign ministers of the Rio Group (Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela) have reiterated their support for the resolutions of the UN Security Council and have renewed their support for the role of the secretary general in promoting a solution to the conflict.

37 Tonnes of Cocaine Base Seized in Police Raids

PY2901113891 Madrid EFE in Spanish 1537 GMT 28 Jan 91

[Text] Lima, 28 Jan (EFE)—The Public Relations Directorate of the Peruvian National Police has reported that within the last few days the Peruvian National Police have seized 37 tonnes of cocaine base in the Peruvian northern jungle. No arrests have been reported.

The police seized 21,000 kilos of cocaine base and 16,000 kilos of washed cocaine base [pasta basica lavada] in the Huallaga River valley, San Martin Department, where drug traffickers operate.

The drug was seized in the settlements of Pampayacu, Uchiza, Pizana, Sion, Pueblo Libre, and La Polvora. The policemen also destroyed four maceration pits and seized chemical substances used to process the drug.

On 26 January, four tonnes of the drug—most of it cocaine base—were burned in a brick factory in the outskirts of Lima. The operation was witnessed by Interior Minister Adolfo Alvarado Fournier and U.S. Ambassador Anthony Quainton.

Uruguay

Government Deems Iraqi POW Use 'War Crime'

PY3001005091 Montevideo LA HORA POPULAR in Spanish 23 Jan 91 p 6

[All quotation marks as received]

[Text] In a communique issued yesterday, the Uruguayan Foreign Ministry labeled as a "war crime" Iraq's announcement that it will use POW's as "human shields." The ministry warned that an article of the Geneva Convention (August 1949) will be violated. The Foreign Ministry declaration says:

"In view of the information that the Iraqi Government will use POW's as human shields in the current military operations, the Uruguayan Government is obligated to declare that if that action is taken, Iraq will be expressly violating Article 23 of the Geneva Convention of 12 August 1949. This article prohibits sending a POW to, or holding a POW in, a region where he will be exposed to combat fire or be used to protect certain points or regions from military operations through his presence."

"Article 13 of the convention also demands humane treatment for prisoners and Article 17 prohibits any physical or mental torture."

"Iraq is part of this convention, which was accepted by 163 states through ratification of or support for the treaty."

"The Iraqi decision on the POW's—made in the midst of the current military operations—seriously violates the 1949 Geneva Convention, which has been accepted by the international community as a necessary expression of its juridical and humane responsibilities, and it is a true war crime that must be repudiated and condemned by all states."

Government Condemns Iraqi Attack on Israel

PY3001003091 Montevideo EL DIA in Spanish 19 Jan 91 p 1

[Text] The Uruguayan Government has strongly condemned the Iraqi military attack on Israel, stating that the attack is illegal and violates international law. The government position was reported yesterday by Foreign Minister Hector Gros Espiell, who explained that he was expressly authorized by President Luis Alberto Lacalle to voice the government position.

The official declaration says:

"In view of the Iraqi missile attack on Israel on 17 January, the Uruguayan Government, interpreting the feelings of all Uruguayan people, states its strongest condemnation of the attack and conveys its solidarity with the people of Israel.

"This illegal attack—which violates international law and which was carried out against a state that did not previously carry out an 'armed attack' against Iraq—deserves the repudiation of the international community.

"The military actions against Iraq that are being carried out in compliance with the UN Security Council resolutions—based on Chapter 12 of the UN Charter—to punish Iraq for invading Kuwait and to safeguard Kuwait's sovereignty represent a legal use of force that cannot be used as justification for a new aggression against Israel."

Broad Front Leader Views Attack on Deputy Cores

PY2901171891 Montevideo LA HORA POPULAR in Spanish 17 Jan 91 p 8

[Excerpts] General Victor Licandro [Broad Front leader] yesterday expressed his doubts regarding the existence of the so-called "Juan Antonio Lavalleja Commando," one of whose alleged members spoke a few days ago to a newspaper in this capital claiming responsibility for the attack on Deputy Cores and threatening to attack several Broad Front leaders. [passage omitted]

Licandro added: "I doubt whether such a claim is valid if it is not written and signed. Evidently, from what we know, there may be a group of people—but I do not know how important they are—behind these things and we know that they may be trying to upset the social and mainly the political, atmosphere." [passage omitted]

Venezuela

U.S. Embassy Attache, Family Assaulted in Home

PA2901164191 Paris AFP in Spanish 1606 GMT 29 Jan 91

[Text] Caracas, 29 Jan (AFP)—The police reported today that Peter Brennan, cultural attache of the U.S. Embassy in Venezuela, along with his wife and son, were assaulted at their home on Saturday [26 January] by two men and a woman armed with pistols and grenades. Brennan, 35, lives in the penthouse of a seven-story building in the exclusive Altamira residential neighborhood.

The female member of the group of attackers asked the building custodian to let her in to visit one of the apartments. As soon as the doorman released the electric lock on the door, the two men, pistols in hand, pushed their way into the building and tied up the doorman, without saying a word. They later went up to the seventh floor, where they also brandished grenades, and they held Brennan and his family captive for two hours. Finally, they stole U.S. dollars and electrical appliances; the value of the stolen property is unknown.

The police have said that this was not a [personal] attack. A police spokesman linked the case to the alarming wave of assaults that have occurred in Caracas, including in its exclusive areas, where several residences have been broken into. There have even been cases where resisting victims have been killed.

U.S. Agricultural Mission Robbed

PA2901182991 Hamburg DPA in Spanish 1851 GMT 29 Jan 91

[Excerpts] Caracas, 29 Jan (DPA)—A U.S. diplomat and the U.S. Agricultural Mission in Venezuela were assaulted over the past two days in actions that police sources say had no political motives and were unrelated.

On Saturday night, 26 January, Peter Brennan, cultural attache at the U.S. Embassy in Caracas, and his family were assaulted in their home, according to reports in the local press today. [passage omitted]

Subsequently, on Monday, 28 January, the agricultural mission of the U.S. Embassy was robbed by unidentified persons who stole computers and other electronic equipment.

* Report Notes Degree of Human Rights Abuses

91SM0156C Caracas EL DIARIO DE CARACAS in Spanish 11 Dec 90 p 6

["G.M.B."-signed report]

[Excerpts] The Venezuelan Human Rights Education-Action Program (PROVEA) has just issued its annual report, 100 pages, in which the "darker side" of the country is portrayed. [passage omitted] It is the second such report published by the organization.

Concerning the right to life, PROVEA notes: "While the right to life is established in our constitution and while Venezuela's laws do not include the death penalty, a large number of deaths attributable to security agencies can be classified as extralegal executions, i.e., a de facto application of the death penalty. This is particularly true if we take into account the fact that there are various methods of deterrence to be used in situations of conflict involving law enforcement agencies which should be used by officers before resorting to use of the service revolver."

"Throughout the period covered by this report," the organization adds, "PROVEA has learned of 135 deaths attributable to security agencies, a relevant number that bears witness to the violation of the right to life by the government."

Deaths Attributable to Government Security Agencies: 135 Total

Agency	Number	Percent
PE*	24	18
DISIP*	23	17
GN*	18	13
PM*	25	19
Armed Forces	11	8
PTJ*	14	10
Others	5	4
No Info. available	15	11

*PE, State Police; DISIP, Directorate of Intelligence and Prevention Services; GN, presumably National Guard; PM, presumably Military Police; PTJ, Judicial Technical Police

"Police officers may be tempted to lose control in exercising their duties because they operate under great tension and are exposed to different sorts of pressure. Nevertheless, such tension would only partially justify the individual conduct of a police officer and not the generalized reaction of law enforcement agencies." [passage omitted]

PROVEA gives a number of examples of deaths resulting from police brutality. [passage omitted]

Another case: Jose Manuel Rodriguez Diaz died under circumstances that have never been clarified after being arrested at a bar by State Police in Ciudad Ojeda (Zulia). According to the official report, he died of a drug overdose, but the autopsy revealed no trace of narcotics. What it did reveal was separation of the spinal column, blows to different parts of the body, the use of electrical shock, and the removal of fingernails. The young man had been questioned while in police custody and was later taken to the hospital, where he died. The family denied the police report, claiming Rodriguez had never had drug problems, and succeeded in obtaining an autopsy which revealed that his death occurred as a result of serious injuries, beating, and the application of electrical shock."

Missing Persons

PROVEA states: "Missing persons are not a new phenomenon in Venezuela. Rather, the practice began in the 1960's, when it was implemented as a means of political repression. However, social and political circumstances in the country have now changed and even if it is true that the number of missing persons with whom the country's security forces are assumed to be connected is not high, this section is included because of a belief that the cases in question are relevant and indicative that the practice does exist and has been regularly repeated this year. [passage omitted]

Arrests

During the period covered by the PROVEA report, there were 2,686 arbitrary arrests. Of these, 1,451 took place "during preparations for or actual protest demonstrations."

PROVEA appeals to international human rights organizations: "the Universal Declaration of Human Rights, the American Declaration of Human Rights, the International Civil and Political Rights Pact, and the American Convention of Human Rights, all signed by Venezuela."

PROVEA notes it has received 42 reports of torture over the past year involving different security agencies. "Responsibility for these cases of torture belongs to members of the PTJ (25), PM (6), PE (5), DISIP (3), the DIM [Military Intelligence Directorate] (2), and GN (1). In the previous period analyzed, reports of torture totaled 32, including seven which occurred during the massive arrests that followed the events of February-March 1989."

Torture Used by Government Security Agencies: 42 Total

Agency	Number	Percent
PTJ	25	60
PM	6	14
PE	5	12
DISIP	3	7
DIM	2	5
GN	1	2

Break-ins and threats are also included. "Although they do not necessarily affect the physical integrity of the person, they are frequently expressions of a violation of the right to personal safety. Threats or harassment happening during the period covered by this report and reported to PROVEA total 49."

Right to Peaceful Demonstration

The organization states: "Venezuela has made an international pledge to limit the use of force and firearms against individuals by security officials entrusted with the task of maintaining law and order during peaceful demonstrations. However, what happens in actual fact is different: There have been repeated and continual reports of repression by police and security agencies during demonstrations, with a tragic record of persons wounded and arrested, all under unusual circumstances and generally out of all proportion to the magnitude of the protests."

Between January and September 1990, PROVEA recorded 51 such demonstrations, which means that one out of every three was put down by the PM, GN, DISIP, and State Police." [as published]

* Official Foreign Investment Figures Released

91SM0156B Caracas EL UNIVERSAL in Spanish 24 Dec 90 p 1, Sec 2

[Text] 23 Dec (VENPRES)—Foreign investments have increased 130 percent this year due to the means by which the foreign public debt is converted into investments and the elimination of major restrictions contained in Order 1200.

According to a report completed by the Directorate of Registration and Control of the Foreign Investments Authority (SIEX), since that order was issued, the Venezuelan economy has demonstrated a growing capacity to attract new investments.

The favorable effect is due to a substantial reduction in the regidity of the regulatory system applicable to foreign investments and technology transfers, as well as a reduction in certain discretionary preliminary controls.

Because of the opening to foreign capital, results over the past four years have been favorable, as shown by the following figures supplied by SIEX:

International Variation

Year	Millions Dollars	Millions Dollars	Percent
1986	1,318.12	Not given	Not given
1987	1,795.75	477.63	36.24
1988	2,516.02	720.27	40.11
1989	3,086.46	570.44	22.67

The report stresses that for 1989, growth in foreign investments was only 22.67 percent, compared with 40.11 percent in 1988, due to the situation of the fiscal year and expectations as to the announcement and subsequent implementation of the program of macroeconomic adjustments.

Venezuela's main investment partners are the United States, with $1,636,320,000 or 53.02 percent of all registered investments, followed by England with 8.25 percent, Switzerland, 7.65 percent, Japan, 5.64 percent, Panama, 4.12 percent, and finally, Holland, 3.02 percent.

Foreign investments are markedly heavy in the manufacturing sector, with $2,901.310,000 or 81.85 percent of all investments recorded, and the agricultural sector, with $140.92 million, representing 72.63 percent.

The SIEX report notes that a more significant increase in foreign investments is expected in other areas of the economy next year, inasmuch as the agreement signed on rescheduling the foreign public debt will generate more confidence in foreign investments.